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March 11, 2016

Terri Carlock
Idaho Public Utilities Commission
472 W. Washington
PO Box 83720
Boise ID 83720-0074

COL-T-15-02

RECEIVED
IDaho PUBLIC
UTILITIES COMMISSION
MAR 14 AM 8:47

Re: Columbine Telephone Company, Inc. - IPUC Order 33456

Dear Terri:

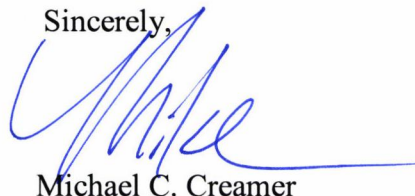
Pursuant to the Commission's Order 33456 Columbine Telephone Company, Inc. ("Columbine") has asked me to forward to you copies of the following documents as executed in connection with the Rural Telephone Finance Cooperative's ("RTFC") 2016 loan and line of credit extended to Columbine and Columbine's unsecured guaranty to RTFC's loans to Horizon Communications, Inc.:

- (a) Loan Agreement;
- (b) Secured Promissory Note (9003 loan);
- (c) Secured Revolving Line of Credit Agreement (re WY800-R-5105 loan);
- (d) Mortgage and Security Agreement (Columbine/RTFC); and
- (e) Guaranty (Columbine).

Other documents concerning financial covenant certifications, annual reports and advances contemplated by the Commission's Order will be forwarded to the Commission by Columbine as and when appropriate in the future.

If you require any additional information at this time, please let me know.

Sincerely,



Michael C. Creamer

MCC/tma
1534-62 / 7567200v1

Enclosures

cc: Michelle Motzkus, Columbine Telephone w/o enclosures
Cindy Gugino, RTFC w/o enclosures

LOAN AGREEMENT

LOAN AGREEMENT ("Agreement") made as of January 29, 2016, by and between COLUMBINE TELEPHONE COMPANY, INC., a Wyoming corporation ("Borrower"), and RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association ("Lender").

RECITALS

WHEREAS, Borrower has requested Lender to make the Loan to Borrower described in Schedule 1 hereto; and

WHEREAS, Lender is willing to make the Loan upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, Borrower and Lender do hereby agree as follows:

1. CONSTRUCTION AND DEFINITION OF TERMS

All accounting terms not specifically defined herein shall have the meanings assigned to them as determined by generally accepted accounting principles. In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, when used herein, the following terms shall have the following meanings:

"Adjustment Date" shall mean a date or dates, determined by the Lender based on the term (or rate period) of the applicable Fixed Rate, after the date of the initial Advance to the Maturity Date.

"Advance" shall mean an advance as defined in Section 2.02.

"Annual Operating Cash Flow" shall mean the sum of (a) pre-tax income or deficit, as the case may be, excluding extraordinary gains, gains on the sale of assets, the write-up of any asset and any investment income or loss; (b) total interest expense (including capitalized, accreted or paid-in-kind interest); and (c) depreciation and amortization expense, as calculated on a consolidated basis for Borrower and all its Subsidiaries.

"Business Day" shall mean any day that both Lender and the depository institution Lender utilizes for funds transfers hereunder are open for business.

"Cash Margins" for any year shall mean net income plus depreciation, amortization and any other non-cash charges, less any non-cash credits and principal on long-term debt payable in such year, as calculated on a consolidated basis for Borrower and all its Subsidiaries.

"Certified" shall mean that the information, statement, schedule, report or other document required to be "Certified" shall contain a representation of a duly authorized officer of Borrower that such information, statement, schedule, report or other document is true and correct and complete.

"Closing" shall mean the first date on which funds are advanced to Borrower hereunder.

"Collateral" shall mean the Mortgaged Property, as such term is defined in the Mortgage.

"Commitment" shall have the meaning set forth in Schedule 1 hereto.

"Current Ratio" for any year shall mean the ratio of total current assets to total current liabilities, as determined by dividing total current assets by total current liabilities.

"Debt Service Coverage Ratio" or "DSC" for any year shall mean (a) total net income or margins, excluding any extraordinary losses or gains, plus depreciation and amortization expense plus interest payable on short-term and long-term debt for such year, divided by (b) principal payable on long-term debt in such year, plus interest payable on long-term debt for such year, as calculated on a consolidated basis for the Borrower and all its Subsidiaries.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred fifty basis points.

"Event of Default" shall mean any of the events described in Section 8 hereof.

"Fixed Rate" shall mean the interest rate per annum provided for in Section 2.03 of this Agreement.

"Indebtedness" shall include all items that would properly be included in the liability section of a balance sheet or in a footnote to a financial statement, in accordance with generally accepted accounting principles, including, without limitation, contingent liabilities.

"Leases" shall mean any lease of property by which Borrower shall be obligated for rental or other payments which in the aggregate are in excess of \$100,000 other than such equipment leases which are in form and substance substantially in conformity with lease agreements in general use in Borrower's industry by companies of size and character similar to Borrower.

"Leverage Ratio" for any year shall mean the ratio derived by dividing (a) Indebtedness less SCCs by (b) Annual Operating Cash Flow, as calculated on a consolidated basis for Borrower and all its Subsidiaries.

"Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set-off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

"Loan" shall mean the loan by the Lender to Borrower, pursuant to this Agreement and the Note, in an aggregate principal amount not to exceed the Commitment.

"Make-Whole Premium" shall mean an amount equal to the present value, for each successive month in the remaining term of such prepaid Loan, of (1) the Fixed Rate less (2) the yield as reported in the Federal Reserve statistical release H.15 (519) under the caption "U.S. Government Securities/Treasury Constant Maturities" (hereinafter "H.15 (519)") for a Treasury Note with a term equal to that remaining on such Loan (which will be obtained by interpolating between the yield reported on the H.15 (519) for specific whole years) on the date of such prepayment, multiplied by (a) the outstanding principal balance of such Loan at the time of prepayment for purposes of calculating such amount for the month during which such prepayment occurs and by (b) the principal balance that would have been outstanding at the beginning of each successive month on the remaining term of such Loan had the amortization schedule set forth for such Loan been adhered to; provided, that the rate determined in (2) above will be used as the discount rate in computing such present value. The Make-Whole Premium represents Lender's reinvestment loss resulting from making a fixed rate loan.

"Maturity Date" shall mean the maturity date defined in the Note.

"Minimum Net Worth Test" shall be calculated on a consolidated basis for the Borrower and all its Subsidiaries, and shall mean an equity to total asset ratio of at least forty percent (40%). Equity shall be determined by subtracting total liabilities from total assets.

"Mortgage" shall mean the mortgage and security agreement described in Schedule 1.

"Net Worth" shall be calculated on a consolidated basis for the Borrower and all its Subsidiaries taken as a whole and arrived at by subtracting total liabilities from total assets.

"Note" shall mean the Note executed and delivered by Borrower at or prior to Closing pursuant to Section 5.02(a) hereof, and all renewals, replacements and extensions thereof.

"Obligations" shall include the full and punctual performance of all present and future duties, covenants and responsibilities due to the Lender by Borrower under this Agreement, the Note, the Other Agreements, all present and future obligations of Borrower to the Lender for the payment of money under this Agreement, the Note, the Other Agreements, extending to all principal amounts, interest, late charges and all other charges and sums, as well as all costs and expenses payable by Borrower under this Agreement, the Note, the Other Agreements, and any and all other present and future monetary liabilities of Borrower to the Lender, whether direct or indirect, contingent or noncontingent, matured or unmatured, accrued or not accrued, related or unrelated to this Agreement, whether or not of the same character or class as Borrower's obligations under this Agreement and the Note, whether or not secured under any other document, instrument or statutory or common law provision, as well as all renewals, refinancings, consolidations, recastings and extensions of any of the foregoing.

"Other Agreements" shall mean any and all promissory notes, security agreements, assignments, subordination agreements, pledge or hypothecation agreements, mortgages, deeds of trust, leases, contracts, guaranties, instruments and

documents now and hereafter existing between the Lender and Borrower, executed and/or delivered pursuant to this Agreement or guaranteeing, securing or in any other manner relating to any of the Obligations, including the instruments and documents referred to in Section 5.02 hereof.

"Payment Date" shall mean the last day of each of the months referred to in Schedule 1 hereto.

"Payment Notice" shall mean the notice furnished to the Borrower at least quarterly indicating the precise amount of principal and/or interest due on the next ensuing Payment Date, such notice to be sent to the Borrower at least ten (10) days before such Payment Date.

"Person" shall include natural persons, corporations, associations, partnerships, joint ventures, trusts, governments and agencies and departments thereof, and every other entity of every kind.

"Prepayment Fee" shall mean an amount equal to fifty one-hundredths of one percent (0.50%) of the amount being prepaid.

"Prior Loan Documents" shall mean, collectively, all long-term loan agreements entered into prior to the date hereof by and between the Lender and the Borrower, and all promissory notes delivered pursuant thereto secured under the Mortgage.

"Subordinated Capital Certificate" or "SCC" shall mean a subordinated certificate representing an investment in the Lender purchased by the Borrower in connection with the Loan.

"Subsidiary" at any time means any entity which is at the time beneficially owned or controlled directly or indirectly by the Borrower, by one or more of such entities or by the Borrower and one or more of such entities.

"Termination Date" shall mean that date which is two (2) years from the date hereof.

"Total Plant" shall be calculated on a consolidated basis for the Borrower and all its Subsidiaries and shall mean the total of all assets included in property, plant and equipment pursuant to generally accepted accounting principles and shall exclude any goodwill or plant acquisition adjustments.

"Variable Rate" shall mean the variable rate established by the Lender from time to time for loans similarly classified pursuant to Lender's policies and procedures then in effect.

2. LOAN

2.01 Loan. The Lender agrees to make the Loan to Borrower subject to all of the terms and conditions of this Agreement and the Other Agreements.

2.02 Advances. The Lender agrees to make, and the Borrower agrees to request, on the terms and conditions of this Agreement, Advances from time to time at the office of the Lender in Dulles, Virginia, or at such other place as the Lender may designate, not to exceed the Commitment. The Borrower shall give the Lender at least one Business Day prior written notice of the date on which each Advance is to be made. On the Termination Date the Lender may stop advancing funds and reduce the Commitment to the aggregate amount theretofore advanced. The obligation of the Borrower to repay the Advances shall be evidenced by the Note.

2.03 Payment, Amortization and Interest Rate.

(a) Payment. The Borrower shall pay on each Payment Date quarterly installments, in an amount as determined by the Lender, of principal and/or interest as shown in the Payment Notice. If not sooner paid, any balance of the principal amount and interest accrued thereon and all other amounts due hereunder shall be due and payable on the Maturity Date. Payment of principal hereunder shall commence after the first full quarter following the initial Advance of funds as set forth in Schedule 1 and shall continue to be made on each subsequent Payment Date until the Maturity Date or such earlier date as all amounts due hereunder and on account of the Note shall have been paid in full. Payment of interest hereunder is due on each Payment Date in which a principal balance is outstanding. Principal will be amortized in accordance with the method stated in Schedule 1 hereto.

The Lender will use, for purposes of calculating the amortization of principal, one of the following interest rates, as applicable:

- (i) If the Borrower elects the Fixed Rate, the Fixed Rate in effect on the Adjustment Date; or
- (ii) If the Borrower elects the Variable Rate, the Variable Rate in effect when amortization begins; or
- (iii) If the Borrower elects to convert from one interest rate program to another pursuant to the provisions hereunder, the interest rate then in effect for the elected program.

At the Lender's option, all payments shall be applied first to any fees, costs, expenses or charges other than interest or principal then due, as hereinafter provided, then to interest accrued to the date of such payment, and then to the reduction of principal balance outstanding.

No provision of this Agreement or the Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

(b) Interest Rate. Each Advance shall be initially made at the Variable Rate. Interest shall be computed from the actual number of days elapsed on the basis of a year of 365 days until the first Payment Date following the initial Advance. Thereafter, interest shall continue to be computed for the actual number of days elapsed on the basis of a year of 365 days unless a Fixed Rate is applicable to the Loan, in which case interest shall be computed on the basis of a 30-day month and 360-day year.

- (i) Variable Rate. If Advances are made at the Variable Rate, it shall apply until the Maturity Date, except as provided herein below.
- (ii) Fixed Rate. If the Borrower elects a Fixed Rate, such Fixed Rate as is available and in effect for loans similarly classified pursuant to Lender's policies and procedures then in effect at the time of the election shall apply to such Advance until the Adjustment Date. Upon notice given by the Borrower five (5) Business Days prior to such Adjustment Date, Borrower may elect to reset the interest rate to such Fixed Rate as is available and in effect at the time of such Adjustment Date. Such reset Fixed Rate shall apply to that portion of the outstanding principal balance of the Loan elected to have a Fixed Rate from the Adjustment Date until a new Adjustment Date or the Maturity Date. If Borrower does not elect to reset the Fixed Rate, the Variable Rate shall apply to the outstanding principal balance of the Loan that had been bearing interest at the Fixed Rate prior to such Adjustment Date, from such Adjustment Date to the Maturity Date.
- (iii) Conversion to Different Interest Program.
 - (A) Variable Rate to Fixed Rate. Subject to the conditions set forth herein, the Borrower may convert from the Variable Rate to the Fixed Rate for any portion or all of the principal amount of the Commitment then outstanding at any time provided the Lender offers a Fixed Rate at such time for similarly classified loans.
 - (B) Fixed Rate to Variable Rate. The Borrower may convert from a Fixed Rate to the Variable Rate: (1) on an Adjustment Date or (2) at any other time, provided that the Borrower shall pay Lender any applicable Make-Whole Premium.

2.04 Prepayment. The Borrower may at any time, prepay all or any part of the Loan. In the event the Borrower prepays all or any part of the Loan (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Borrower shall pay, as the Lender may prescribe pursuant to the terms of this Section 2.04, (a) any Make-Whole Premium and/or (b) at the option of the Lender, any Prepayment Fee. All prepayments shall be accompanied by payment of accrued and unpaid interest on the amount of and to the date of the repayment. All prepayments shall be applied (i) first to any fees, costs, expenses or charges due hereunder other than interest or principal, (ii) second, to the payment of accrued and unpaid interest, and (iii) third, the balance, if any, to the outstanding principal balance of the Loan.

If the Loan bears interest at the Variable Rate, then the Borrower may on any Business Day prepay the Loan or any portion thereof, provided that the Borrower pays together therewith the Prepayment Fee if required by the Lender. If the Loan bears interest at the Fixed Rate, then the Borrower may prepay the Loan on (a) the Adjustment Date, provided that the Borrower pays together therewith the Prepayment Fee if required by the Lender, or (b) any other Business Day, provided that the Borrower pays together therewith the Prepayment Fee if required by the Lender and any applicable Make-Whole Premium.

2.05 Default Rate. If Borrower defaults on its obligation to make a payment due hereunder by the applicable Payment Date, and such default continues for thirty days thereafter, then beginning on the thirty-first day after the Payment Date and for so long as such default continues, Advances shall bear interest at the Default Rate.

2.06 10% Subordinated Capital Certificates. The Borrower shall purchase SCCs which in the aggregate shall not exceed the amount specified in Schedule 1 hereto. Unless otherwise requested in writing by the Borrower prior to the initial Advance and approved by the Lender, the Borrower agrees to purchase SCCs either: (a) with each Advance in the amount of ten percent (10%) of each such Advance, and each such SCC shall be paid for with proceeds of such Advance, or (b) by making payments with Borrower's own funds in twenty (20) equal quarterly installments, commencing with the first full quarter following the initial Advance. If the Borrower elects to pay for SCCs other than from Loan funds, the amount of the Commitment will be correspondingly reduced by said amount when the SCCs are fully paid. If the Borrower obtains Advances hereunder other than for the purpose of purchasing SCCs and fails to pay for the SCCs, then the Lender may make Advances for the account of the Borrower to purchase the SCCs. The Lender agrees to deliver the SCCs on or about the date on which the SCCs have been paid for in full. The SCCs shall bear no interest and shall mature in accordance with the terms thereof.

3. SECURITY

As security for the payment and performance of all of the Obligations, Borrower has entered into the Mortgage pledging and granting to the Lender a prior and continuing security interest in the Collateral that may be secured by the Mortgage that shall continually exist until all Obligations have been paid in full. If reasonably required by the Lender at any time, Borrower shall make notations, satisfactory to the Lender, on its books and records disclosing the existence of the Lender's security interest in the Collateral. Borrower agrees that, with respect to the Collateral, which is subject to Article 9 of the Uniform Commercial Code, the Lender shall have, but not be limited to, all the rights and remedies of a secured party under the Uniform Commercial Code. The Lender shall have no liability or duty, either before or after the occurrence of an Event of Default hereunder, on account of loss of or damage to, or to collect or enforce any of its rights against, the Collateral, or to preserve any rights against account debtors or other parties with prior interests in the Collateral.

4. REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement, Borrower represents and warrants to the Lender as of the date of this Agreement that:

4.01 Good Standing. Borrower is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, has the power to own its property and to carry on its business, is duly qualified to do business, and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.

4.02 Authority. Borrower has the corporate power and authority to enter into this Agreement and the Mortgage, to make the borrowing hereunder, to execute and deliver all documents and instruments required hereunder and to incur and perform the

obligations provided for herein, in the Mortgage, and in the Note, all of which have been duly authorized by all necessary and proper corporate and other action, and no consent or approval of any person, including, as applicable and without limitation, stockholders, members and partners of Borrower, and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

4.03 Binding Agreement. This Agreement has been duly and properly executed by Borrower, constitutes the valid and legally binding obligation of Borrower and is fully enforceable against Borrower in accordance with its terms, subject only to laws affecting the rights of creditors generally, the exercise of judicial discretion in accordance with general principles of equity or because waivers of statutory or common law rights or remedies may be limited.

4.04 No Conflicting Agreements. The execution, delivery of and performance by Borrower of this Agreement, the Mortgage and the Note, and the transactions contemplated hereby or thereby, will not: (a) violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the charter or by-laws of Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Borrower is a party or by which it or any of its property is bound; or (b) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien (other than contemplated hereby) upon any of the property or assets of Borrower.

4.05 Litigation. There are no judgments, claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or its properties, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, which may result in any material adverse change in the business, operations, prospects, properties or assets or in the condition, financial or otherwise, of Borrower, and Borrower is not, to its knowledge, in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would have a material adverse effect on Borrower.

4.06 Financial Condition. The financial statements of Borrower as at the date set forth in Schedule 1 hereto, heretofore delivered to the Lender, are complete and correct, fairly present the financial condition of Borrower and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. There are no liabilities of Borrower, direct or indirect, fixed or contingent, as of the date of such statements which are not reflected therein. There has been no material adverse change in the financial condition or operations of the Borrower from that set forth in said financial statements except changes previously disclosed in writing to the Lender prior to the date hereof.

4.07 Taxes. Borrower has paid or caused to be paid all federal, state and local taxes to the extent that such taxes have become due, unless the Borrower is contesting in good faith any such tax. Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed by Borrower.

4.08 Title to Properties. Borrower has good and marketable title to all of its real properties and owns or has other rights in all of its other properties and assets free and clear of any liens, except (a) the lien of the Mortgage and taxes or assessments not yet due; (b) deposits or pledges to secure payment of workmen's compensation, unemployment insurance, old age pensions or other social security; (c) deposits or pledges to secure performance of bids, tenders, contracts (other than contracts for the payment of borrowed money), leases, public or statutory obligations, surety or appeal bonds, or other deposits or pledges for purposes of like general nature in the ordinary course of business; and (d) liens permitted under Section 7.02(c) of this Agreement after the date hereof.

4.09 Licenses and Permits. Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by federal, state and local laws of the jurisdictions in which Borrower conducts its business and each remains valid and in full force and effect.

4.10 Subsidiaries. Borrower has no Subsidiaries other than Subsidiaries heretofore disclosed to the Lender, or hereafter formed or acquired with the prior written consent of the Lender.

4.11 Certain Indebtedness. There is no indebtedness of Borrower owing to any employee, officer, stockholder, member, partner or director of the board of Borrower other than accrued salaries, commissions and the like and any indebtedness subordinated to the Obligations pursuant hereto.

4.12 Borrower's Legal Status. (a) The Borrower's exact legal name is that indicated on the signature page hereof, (b) the Borrower is an organization of the type and organized in the jurisdiction set forth on the first page hereof, and (c) Schedule 1 hereto accurately sets forth the Borrower's place of business or, if more than one, its chief executive office as well as the Borrower's mailing address if different.

4.13 Required Approvals. No license, consent, permit or approval of any governmental agency or authority is required to enable the Borrower to enter into this Agreement or to perform any of its obligations provided for herein except as disclosed on Schedule 1 hereto, all of which Borrower has obtained prior to the date hereof, and except with respect to regulatory approvals which may be required in connection with the Lender's enforcement of certain remedies hereunder.

4.14 ERISA. Each pension plan of Borrower and its Subsidiaries providing benefits for employees of Borrower or such Subsidiary covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereto ("ERISA"), is in compliance with ERISA in all material respects, and no material liability to the Pension Benefit Guaranty Corporation or to a multiemployer plan has been, or is expected by Borrower or any of its Subsidiaries to be, incurred by Borrower or any such Subsidiaries.

5. CONDITIONS OF LENDING

The Lender shall have no obligation to make Advances to Borrower hereunder unless each of the following conditions shall be satisfied as provided below:

5.01 Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for the Lender and to such local counsel as counsel for the Lender may retain.

5.02 Documents. There shall have been delivered to the Lender, fully completed and duly executed (when applicable), the following, satisfactory to the Lender and its counsel:

- (a) This Agreement and the Note.
- (b) Certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions herein contemplated.
- (c) A written opinion from Borrower's counsel addressing such legal matters as the Lender or its counsel shall reasonably require.
- (d) The Mortgage; (i) if any real property is owned by Borrower, a recorded valid and binding Mortgage in all jurisdictions necessary to grant Lender a first lien on all real property owned by Borrower; (ii) filed financing statements in all jurisdictions necessary to provide Lender a first priority, perfected security interest in all Collateral which may be perfected by the filing of financing statements; and (iii) such other documents as are necessary to create or continue a perfected security interest in favor of the Lender in the Collateral.

5.03 Landlord Waiver. If any Collateral is located on real property leased by the Borrower, Lender shall have received a landlord's waiver of lien from each landlord of Borrower, in form and substance satisfactory to Lender.

5.04 Government Approvals. The Borrower shall have furnished to the Lender true and correct copies of all certificates, authorizations and consents, including without limitation the consents referred to in Section 4.13 hereof, necessary for the execution, delivery or performance by the Borrower of this Agreement, the Note and the Mortgage.

5.05 Representations, Warranties and Material Change. The representations and warranties contained in this Agreement shall be true and correct on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on and as of such date; no Event of Default specified in Section 8 and no event which, with the lapse of time or the notice and lapse of time specified in Section 8 would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to the Advance on the books of the Borrower; there shall have occurred no material adverse change in

the business or condition, financial or otherwise, of the Borrower; and nothing shall have occurred which in the opinion of the Lender materially and adversely affects the Borrower's ability to meet its obligations hereunder.

5.06 Special Conditions. The Lender and its counsel shall be fully satisfied that the Borrower has complied and will continue to comply with any special conditions identified in Schedule 1 hereto.

5.07 Requisitions. The Borrower will request Advances in form and substance satisfactory to the Lender. Pursuant to the terms and conditions hereof, the Lender will wire the proceeds of the requested Advance to an account as directed by the Borrower.

6. AFFIRMATIVE COVENANTS

Borrower covenants and agrees with the Lender that, until all of the Obligations have been paid in full, Borrower will:

6.01 Membership. Remain or an affiliate thereof will remain, a member in good standing of the Lender.

6.02. Financial Books; Financial Reports and Other Information.

(a) At all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with methods of accounting prescribed by the state regulatory body having jurisdiction over the Borrower, or in the absence of such regulatory body or such prescription, by the Federal Communications Commission ("FCC") or in accordance with generally accepted accounting principles.

(b) Prepare and furnish Lender not later than sixty (60) days from the six-month period ending June 30 of each year and the twelve-month period ending December 31 of each year, or at more frequent intervals when reasonably specified by the Lender, financial and statistical reports on its and any Subsidiaries' condition and operation. The December year-end reports shall include individual financial statements for the Borrower and consolidated and consolidating financial statements for the Borrower and each of its Subsidiaries, in such detail as the Lender may reasonably prescribe.

(c) Cause to be prepared and furnished to the Lender, not more than one hundred twenty (120) days after the close of each of Borrower's fiscal years, a full and complete report of its and its Subsidiaries' financial condition as of the end of each such fiscal year, in form and substance reasonably satisfactory to the Lender, audited and certified by independent certified public accountants reasonably satisfactory to the Lender and accompanied by a report of such audit in form and substance reasonably satisfactory to the Lender.

(d) Furnish to the Lender such other information, reports or statements concerning the operations, business affairs and/or financial condition of Borrower as the Lender may reasonably request from time to time.

(e) Promptly upon becoming available, information, in form and substance satisfactory to Lender, and evidence of any and all changes or modification of licenses, permits, certifications, approvals and the like necessary for Borrower to own or operate its business or a substantial part of its business.

6.03 Lender's Right of Inspection. Permit the Lender, through its representatives, at all times during normal business hours, to have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in possession of the Borrower and its Subsidiaries and pertaining to the Borrower's and its Subsidiaries' property or business, and permit representatives of the Lender to be present at Borrower's place of business to receive copies of all communications and remittances relating to the Collateral, all in such manner as the Lender may reasonably require.

6.04 Financial Ratios. Commencing December 31, 2015 and each year thereafter, achieve (a) an annual DSC of not less than 1.25 and (b) an annual Leverage Ratio not to exceed 2.0.

6.05 Annual Certificate. Within one hundred twenty (120) days after the close of each calendar year, commencing with the year in which the initial Advance hereunder shall have been made, deliver to the Lender, a written statement, in form and substance satisfactory to the Lender, either (a) signed by the Borrower's General Manager, Chief Executive Officer, or similar presiding officer, or (b) submitted electronically through means made available to the Borrower by the Lender, stating that to the best of said person's knowledge, the Borrower has fulfilled all of its Obligations under this Agreement, the Note and the Mortgage throughout such year or, if there has been a default in the fulfillment of any such Obligations, specifying each such default known to said person and the nature and status thereof.

6.06 Use of Proceeds. Use Advances made hereunder and under the Note only for the purpose identified in Schedule 1 hereto and for the payment of the costs, expenses and fees incident to this Agreement and for no other purpose whatsoever without the prior written consent of the Lender.

6.07 Mortgage Filing. Within ten (10) days of acquiring any real property, the Borrower shall cause the Mortgage to be duly recorded as a first mortgage on all real property and the Mortgage or other appropriate documentation shall have been duly filed, recorded or indexed as a security interest in personal property wherever the Lender shall have reasonably requested, all in accordance with applicable law, and the Borrower shall have caused satisfactory evidence thereof to be furnished to the Lender.

6.08 Landlord Waiver. If any Collateral is at any time located or is to be located on real property leased by the Borrower, Borrower shall furnish Lender with a landlord's waiver of lien from each landlord of Borrower, in form and substance satisfactory to Lender.

6.09 Special Affirmative Covenants. During the term hereof, Lender and its counsel shall be fully satisfied that the Borrower has complied and will continue to comply with any special affirmative covenants identified in Schedule 1 hereto.

7. NEGATIVE COVENANTS.

Borrower covenants and agrees with the Lender that, until all of the Obligations have been paid in full, Borrower will not:

7.01 Notice. Without giving written notice to the Lender thirty (30) days prior to the effective date of any change:

- (a) Change the location of Borrower's place of business or, if more than one, its chief executive office.
- (b) Change the name of Borrower.
- (c) Change the mailing address of Borrower.

7.02 Consent. Without the prior written consent of the Lender:

- (a) Control. Alter or permit alteration of control of the Borrower. Control shall be as defined by regulations for telephone companies issued by the FCC.
- (b) Subsidiaries. Form or acquire any Subsidiaries.
- (c) Additional Indebtedness. Borrow or allow any of its Subsidiaries to borrow money on a secured or unsecured basis from any other lender or incur any additional secured or unsecured indebtedness; or enter into or allow any of its Subsidiaries to enter into any Leases; provided, however, (i) Borrower and its Subsidiaries may incur purchase money secured indebtedness or unsecured trade debt or pay other current operating liabilities that arise in the ordinary course of business so long as the aggregate total of such debt does not exceed five percent (5%) of Borrower's consolidated total assets, and (ii) if Borrower meets the Minimum Net Worth Test, then Borrower and its Subsidiaries may incur additional unsecured indebtedness or enter into Leases without prior written approval of Lender provided the Borrower meets the Minimum Net Worth Test after Borrower or its Subsidiaries incur such additional unsecured indebtedness or enter into such Leases; provided, further, however, Borrower must give at least thirty (30) days written notice to Lender prior to Borrower and/or its Subsidiaries incurring any additional unsecured indebtedness or entering into such Leases.
- (d) Organizational Changes. Change its type of organization, jurisdiction of organization or legal structure.

7.03 Dividends and Other Cash Distributions.

- (a) Dividends. In any one calendar year, without the prior written consent of the Lender, the Borrower shall not, and shall not permit

its Subsidiaries to declare or pay any dividends or make any other distributions to their respective stockholders, members or partners with respect to their capital stock, membership interests or partnership interests unless (after giving effect to such transaction) (1) the Borrower maintains a Current Ratio of not less than 1.25; and (2) the Borrower meets the Minimum Net Worth Test, except that the Borrower may pay dividends to Horizon Communications, Inc. ("Horizon") for the sole purpose of and to the extent required for Horizon to make debt service payments to the Lender.

- (b) Other Cash Distributions. In any one calendar year, without the prior written consent of the Lender: (A) purchase, redeem or retire any of its capital stock, membership interests or partnership interests; or (B) pay any management fees or if already paying a management fee, pay an increase in management fees unless with respect to any of the foregoing (after giving effect to such transaction) (1) (a) Borrower maintains a Current Ratio of not less than 1.25; and (b) Borrower meets the Minimum Net Worth Test - or- (2) (a) Borrower maintains a Current Ratio of not less than 1.25; (b) Borrower maintains a minimum Net Worth to total assets of not less than twenty-five percent (25%) and (c) the making of such distribution, or the purchase, redemption or retirement of such stock, membership interest or partnership interest, individually or in the aggregate, does not exceed twenty-five percent (25%) of the prior fiscal year-end Cash Margins in any one fiscal year. In no event may the Borrower make any such distribution or payment when there is unpaid any due installment of principal and/or interest on the Note or if the Borrower is otherwise in material default of any provision of this Agreement or would be in material default hereunder as a result of such distribution or payment.

7.04. Limitations on Contracts. Without the prior written consent of the Lender, enter into any contract or contracts (a) for management of its business or any part thereof, (b) for the operation or maintenance of all or any substantial part of its property, (c) for the use by others of any of the Mortgaged Property (as defined in the Mortgage) in excess of \$100,000 or (d) with other companies; provided, however, that such approval shall not be required for any contract which in form and substance substantially conforms with contracts in general use in the Borrower's industry by companies of size and character similar to Borrower or which substantially conform to contracts which are currently in existence that Borrower is a party to.

7.05 Limitations on Loans, Investments and Other Obligations.

(a) (i) Purchase or make any commitment to purchase any stock, bonds, notes, debentures or other securities or obligations of or beneficial interest in, (ii) make any other investment in, (iii) make any loan to, or (iv) guarantee, assume, or otherwise become liable for any obligation of, any corporation, association, partnership, joint venture, trust, government or any agency or department thereof, or any other entity of any kind if the aggregate amount of all such purchases, investments, loans and

guarantees exceeds the greater of ten percent (10%) of Total Plant or thirty percent (30%) of Net Worth without the prior written consent of the Lender.

(b) The following shall not be included in the limitation on purchases, investments, loans and guarantees in (a) above: (i) bonds, notes, debentures, stock, or other securities or obligations issued by or guaranteed by the United States government or any agency or instrumentality thereof; (ii) bonds, notes, debentures, stock, commercial paper, subordinated capital certificates, or other security or obligation of institutions whose senior unsecured debt obligations are rated by at least two nationally recognized rating organizations in either of its two highest categories; (iii) investments incidental to loans made by Lender; (iv) bonds, notes, debentures, commercial paper or any other security of National Rural Utilities Cooperative Finance Corporation; and (v) any deposit that is fully insured by the federal government of the United States.

7.06 Special Negative Covenants. During the term hereof, Lender and its counsel shall be fully satisfied that the Borrower has complied and will continue to comply with any special negative covenants identified in Schedule 1 hereto.

8. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

- (a) **Representations and Warranties.** Any representation or warranty made herein, in any of the Other Agreements or in any statement, report, certificate, opinion, financial statement or other document furnished or to be furnished in connection with this Agreement or the Other Agreements shall be false or misleading in any material respect.
- (b) **Payment.** Failure of Borrower to make any of the payment Obligations, including, without limitation, any sum due the Lender under this Agreement or any of the Other Agreements, when and as the same shall become due, whether at the due date thereof, by demand, by acceleration or otherwise.
- (c) **Other Covenants.**
 - (i) **No Grace Period.** Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 6.02, 6.03, 6.04, 6.05, 6.06, 6.09, 7.01, 7.02, 7.03, 7.04, 7.05 and 7.06 of this Agreement.
 - (ii) **Thirty Day Grace Period.** Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the Other Agreements, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by the Lender.
- (d) **Legal Existence.** The Borrower shall forfeit or otherwise be deprived of its charter, franchises, permits, easements, consents or licenses required to carry on any material portion of its business.

- (e) **Other Obligations.** Default by the Borrower in the payment when due of any money owed by the Borrower, whether principal, interest, premium or otherwise, under any other agreement for borrowing money in an amount in excess of five percent (5%) of total assets, whether or not such borrowing is secured.
- (f) **Bankruptcy.** (i) A court shall enter a decree or order for relief with respect to the Borrower or any Subsidiary or guarantor (if any) in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days, or (ii) the Borrower or any Subsidiary or guarantor (if any) shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking of possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors.
- (g) **Dissolution or Liquidation.** (i) Other than as provided in subsection (f) above, the dissolution or liquidation of the Borrower or any Subsidiary or guarantor (if any), or (ii) failure by the Borrower or any Subsidiary or guarantor (if any) promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) days.
- (h) **Final Judgment.** A final non-appealable judgment in excess of \$100,000 shall be entered against the Borrower and shall remain unsatisfied or without a stay for a period of sixty (60) days.
- (i) **First Mortgage.** Failure by the Borrower to (i) pay any installment or additional payment when due under the note secured by the First Mortgage (as such term is defined in the Mortgage), or (ii) make any additional payment as and at the time required under the First Mortgage; or (iii) promptly and faithfully preform all of the other terms, covenants and conditions of the First Mortgage, the note secured thereby, or any other instrument executed simultaneously or in connection therewith.

9. RIGHTS AND REMEDIES

9.01 Rights and Remedies of the Lender. Upon the occurrence of an Event of Default, the Lender may, subject to compliance, if required, with the rules and regulations of the FCC and any state public service or utilities commission having jurisdiction; exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to all rights and remedies available to the Lender under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently:

- (i) Cease making Advances hereunder.
- (ii) Declare all unpaid principal outstanding on the Note, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived.
- (iii) Institute any proceeding or proceedings to enforce the Obligations owed to, or any Liens in favor of the Lender.
- (iv) Pursue all rights and remedies available to the Lender that are contemplated by the Mortgage in the manner, upon the conditions, and with the effect provided in the Mortgage, including but not limited to a suit for specific performance, injunctive relief or damages.
- (v) Pursue any other rights and remedies available to the Lender at law or in equity.

9.02 Cumulative Nature of Remedies. Nothing herein shall limit the right of the Lender, subject to notice and right to cure provisions contained herein, to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default subject to compliance, if required, with the rules and regulations of the FCC and any state public service or utilities commission having jurisdiction. Each right, power and remedy of the Lender in this Agreement and/or the Other Agreements shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

9.03 Costs and Expenses. The Borrower shall reimburse the Lender for any reasonable costs and out-of-pocket expenses paid or incurred by the Lender (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions Lender takes to (a) enforce the payment of any Obligation, to effect collection of any of the Collateral, or in preparation for such enforcement or collection, (b) institute, maintain, preserve, enforce and foreclose on the Lender's security interest in or Lien on any of the Collateral, whether through judicial proceedings or otherwise, (c) restructure any of the Obligations, (d) review, approve or grant any consents or waivers hereunder, (e) prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (f) prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by the Lender in connection with any of the foregoing. The amount of all such expenses identified in this Section 9.03 shall be secured by the Mortgage and shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate; provided, however, that such interest rate shall not be in excess of the rate permitted by law.

9.04 Late Payment Charges. If payment of any principal and/or interest due under the terms of the Note is not received at the office of the Lender in Dulles, Virginia, or as the Lender may otherwise designate to the Borrower, within such time period as the Lender may prescribe from time to time in its policies in connection with any late payment charges (such unpaid amount of principal and/or interest being herein called the "delinquent amount" and the period beginning after such due date until payment of

the delinquent amount being herein called the "late-payment period"), the Borrower will pay to the Lender, in addition to all other amounts due under the terms of the Note, the Mortgage, and this Agreement, any late-payment charge as may be fixed by the Lender from time to time, on the delinquent amount for the late-payment period.

9.05 Lender's Setoff. The Lender shall have the right, in addition to all other rights and remedies available to it, to setoff and to recover against any or all of the Obligations due to Lender, any monies now and hereafter owing to Borrower by the Lender. Borrower waives all rights of setoff, deduction, recoupment and counterclaim.

10. MISCELLANEOUS

10.01 Performance for Borrower. Borrower agrees and hereby authorizes that the Lender may, in its sole discretion, but the Lender shall not be obligated to, advance funds on behalf of Borrower without prior notice to Borrower, in order to insure Borrower's compliance with any material covenant, warranty, representation or agreement of Borrower made in or pursuant to this Agreement or any of the Other Agreements, to preserve or protect any right or interest of the Lender in the Collateral or under or pursuant to this Agreement or any of the Other Agreements, including without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Collateral or other property or assets of Borrower; provided, however, that the making of any such advance by the Lender shall not constitute a waiver by the Lender of any Event of Default with respect to which such advance is made nor relieve Borrower of any such Event of Default. Borrower shall pay to the Lender upon demand all such advances made by the Lender with interest thereon at the Default Rate and determined in the manner provided in the Note. All such advances shall be deemed to be included in the Obligations and secured by the security interest granted the Lender hereunder to the extent permitted by law.

10.02 Expenses and Filing Fees. Whether or not any of the transactions contemplated hereby shall be consummated, Borrower agrees to pay to the Lender at Closing or thirty (30) days after the execution and delivery hereof, whichever is earlier, all expenses of the Lender in connection with the filing or recordation of all financing statements and instruments as may be required by the Lender at the time of, or subsequent to, the execution of this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. Borrower agrees to save harmless and indemnify the Lender from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by the Lender in connection with this Agreement. The provisions of this Section 10.02 shall survive the execution and delivery of this Agreement and the payment of all other Obligations.

10.03 Waivers by Borrower. Borrower hereby waives, to the extent the same may be waived under applicable law: (a) in the event the Lender seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (b) presentment, demand for payment, protest and notice of non-payment and all exemptions; and (c) substitution, impairment, exchange or release of any collateral security for any of the Obligations. Borrower agrees that the Lender may exercise any or all of its rights and/or remedies

hereunder and under the Other Agreements without resorting to and without regard to security or sources of liability with respect to any of the Obligations.

10.04 Waivers by the Lender. Neither any failure nor any delay on the part of the Lender in exercising any right, power or remedy hereunder or under any of the Other Agreements shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.05 Lender's Records. Every statement of account or reconciliation rendered by the Lender to Borrower with respect to any of the Obligations shall be presumed conclusively to be correct and shall constitute an account stated between the Lender and Borrower unless, within ten (10) Business Days after such statement or reconciliation shall have been mailed, postage prepaid, to Borrower, the Lender shall receive written notice of specific objection thereto.

10.06 Modifications. No modification or waiver of any provision of this Agreement, the Note or any of the Other Agreements, and no consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand upon Borrower in any case shall entitle Borrower to any other or further notice or demand in the same, similar or other circumstances.

10.07 Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative
20701 Cooperative Way
Dulles, VA 20166
Attention: Senior Vice President
Fax: 703-467-5170

The Borrower:

The address set forth in
Schedule 1 hereto

10.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(b) BORROWER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE BORROWER AND THE LENDER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.09 Non-Business Day Payments. If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

10.10 Consent to Patronage Capital Distributions. The Borrower hereby consents that the amount of any distributions with respect to Borrower's patronage which are made in written notices of allocation (as defined in Section 1388 of the Internal Revenue Code of 1986, as amended ("Code") including any other comparable successor provision) and which are received from Lender will be taken into account by Borrower at their stated dollar amounts in the manner provided in Section 1385(a) of the Code in the taxable year in which such written notices of allocation are received.

10.11 Survival; Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the Other Agreements shall survive Closing and the execution and delivery to the Lender of the Note, and shall continue in full force and effect until all of the Obligations have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, agreements, representations and warranties by or on behalf of Borrower which are contained in this Agreement and the Other Agreements shall inure to the benefit of the successors and assigns of the Lender.

10.12 Assignment. The Lender may assign its rights and obligations under this Agreement and the Other Agreements without the consent of the Borrower; provided, however, that no such assignment shall result in terms or conditions less favorable to Borrower. The Borrower may not assign any of its rights or obligations under this Agreement or the Other Agreements without the prior written consent of the Lender.

10.13 Severability. If any term, provision or condition, or any part thereof, of this Agreement or any of the Other Agreements shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement, the Note, and the Other Agreements shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

10.14 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.15 Headings/Use of Terms. The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement. The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa.

10.16 Further Assurances. The Borrower will, upon demand of the Lender, make, execute, acknowledge and deliver all such further and supplemental indentures of mortgage, deeds of trust, mortgages, financing statements, continuation statements, security agreements and/or any other instruments and conveyances as may be reasonably requested by the Lender to effectuate the intention of this Agreement and to provide for the securing and payment of the principal of and interest on the Note according to the terms thereof.

10.17 Lender's Approval. Wherever prior written approval of Lender is required under the terms and conditions of this Agreement, Lender hereby agrees to not unreasonably withhold said approval.

10.18 Merger and Integration. This Agreement, the attached exhibits and the matters incorporated by reference contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein, shall be valid or binding.


10.19. Prior Loan Documents. It is understood and agreed that all of the terms, conditions and provisions of this Agreement shall supersede all of the terms, conditions and provisions of all Prior Loan Documents, *except for* (a) representations and warranties contained in any Prior Loan Document, which shall continue to apply to the loan or loans referenced in the Prior Loan Document, (b) conditions precedent to the making of any Advance under a Prior Loan Document, and (c) any special covenants, conditions or other specific terms set forth on Schedule 1 to any Prior Loan Document, unless otherwise explicitly agreed to in writing by Lender, or superseded by explicit reference thereto in this Agreement. It is understood and agreed that the special covenants set forth as items 12 and 13(a) of Schedule 1 of the Loan Agreement dated as of July 3, 2003 (designated WY803-A-9001) by and among Horizon (by virtue of an Acknowledgement and Assumption Agreement dated as of September 29, 2006), Teton

Communications, Inc., Borrower and Mountain Land Communications LLC and Lender, as the same has been amended, are hereby superseded by the covenants contained in Sections 6.04 and 7.02(c), respectively, of this Agreement. For purposes of the foregoing, this Section 10.19 shall be deemed to amend all Prior Loan Documents, and notwithstanding termination of this Agreement for any reason, this Section 10.19 shall nevertheless survive and shall continue to amend each Prior Loan Document for as long as the respective Prior Loan Document is in effect, but only with respect to the matters set forth in this Section 10.19.

10.20 Schedule 1. Schedule 1 attached hereto is an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Agreement under seal as of the date first above written.

COLUMBINE TELEPHONE COMPANY, INC.

By: 
 Title: VP Finance / CFO

(SEAL)

Attest: 
 Secretary

RURAL TELEPHONE FINANCE COOPERATIVE

By: _____
 Assistant Secretary-Treasurer

(SEAL)

Attest: _____
 Assistant Secretary-Treasurer

SCHEDULE 1

1. The "Commitment" shall mean \$1,333,334.00.
2. The "Mortgage" is the Mortgage and Security Agreement by and between Borrower and Lender dated as of even date herewith, as it may have been or shall be supplemented, amended, restated or consolidated from time to time.
3. The months relating to the Payment Date are February, May, August and November.
4. The method of amortization referred to in Section 2.03 shall be based upon the method indicated below:

_____ level principal

 X level debt service

5. The amount referred to in Section 2.06 is \$133,333.40.
6. The date of Borrower's financial statement referred to in Section 4.06 is December 31, 2014.
7. The place of business or, if more than one, its chief executive office as well as the Borrower's mailing address if different referred to in Section 4.12 is:

Place of Business:

Columbine Telephone Company, Inc.
104101 U.S. Highway 89
Freedom, WY 83120

Mailing Address:

Columbine Telephone Company, Inc.
P.O. Box 226
Freedom, WY 83120

9. The government authorities referred to in Section 4.13 are: The Idaho Public Utilities Commission.
10. The special conditions referred to in Section 5.06 are as follows:
 - (a) The Borrower shall deliver to Lender (a) a copy of the Deed of Trust dated November 23, 2015 between Borrower, as Grantor, to Alliance Title & Escrow Corp., as Trustee, for the benefit of the Sandra H. Ball Family Trust, U/T/A, as Beneficiary recorded on December 1, 2015, Madison County, Idaho securing payment of an indebtedness evidenced by a promissory note in the principal amount of 50,866.64; and (b) a copy of the Promissory Note of even date therewith.

- (b) The initial Advance hereunder shall be in the amount of \$1,200,000.00 and shall be used to pay a portion of the outstanding principal balance under the \$1,500,000.00 revolving line of credit (the "Bridge Loan") made by Bank of Star Valley to Horizon (as defined in Section 7.03(a) hereof), with the remaining \$300,000.00 to be paid with the Borrower's own funds and/or with the proceeds of the Borrower's secured revolving line of credit with Lender (RTFC Loan Designation No. WY800-R-5105).
- 11. The purpose referred to in Section 6.06 is to finance the build out of Borrower's incumbent local exchange carrier infrastructure, including a redundant fiber ring, in Rexburg, ID, and to purchase SCCs.
- 12. The special affirmative covenants referred to in Section 6.09 are as follows:
 - (a) The Borrower will provide Lender with financial projections from time to time, as may be reasonably requested by Lender.
 - (b) The Borrower will cause Horizon to terminate the Bridge Loan after its outstanding principal balance has been paid off. Borrower will provide evidence satisfactory to RTFC that the Bridge Loan has been paid in full and terminated by April 30, 2016.
- 13. The special negative covenants referred to in Section 7.06 are as follows: None
- 14. The address for notices to the Borrower referred to in Section 10.07 is:

If by overnight mail or courier service:

Columbine Telephone Company, Inc.
 104101 U.S. Highway 89
 Freedom, WY 83120
 Attention: General Manager

If by United States mail or by telecopy:

Columbine Telephone Company, Inc.
 P.O. Box 226
 Freedom, WY 83120
 Attention: General Manager
 Fax: (307) 883-2575

SECURED PROMISSORY NOTE

\$1,333,334.00

dated as of January 29, 2016

COLUMBINE TELEPHONE COMPANY, INC., a Wyoming corporation (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of RURAL TELEPHONE FINANCE COOPERATIVE (the "Payee"), at its office in Dulles, Virginia, or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of ONE MILLION THREE HUNDRED THIRTY THREE THOUSAND THREE HUNDRED THIRTY FOUR AND 00/100 DOLLARS (\$1,333,334.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith by and between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable eight (8) years from the date hereof (such date herein called the "Maturity Date").

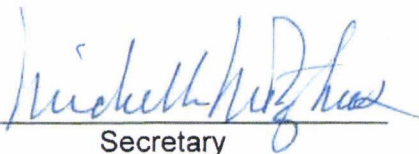
This Note is secured under a Mortgage and Security Agreement dated as of even date herewith, by and between the Borrower and the Payee, as it may have been or shall be supplemented, amended, restated or consolidated from time to time. This Note is the Note referred to in, and has been executed and delivered pursuant to, the Loan Agreement. The principal hereof and accrued interest thereon and any other amount due under the Loan Agreement may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest and notice of non-payment of this Note and waives the defense of usury.

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its corporate name and its corporate seal to be hereunto affixed and to be attested by its duly authorized officers, all as of the day and year first above written.

(SEAL)

Attest:


Secretary

COLUMBINE TELEPHONE COMPANY,
INC.

By:


Title: VP Finance / CFO

RTFC Loan No.: WY800-A-9003

RTFC NOTE
WY800-A-9003(BERESFL)
203598-1

**RURAL TELEPHONE FINANCE COOPERATIVE
SECURED REVOLVING LINE OF CREDIT AGREEMENT
("Agreement")**

Columbine Telephone Company, Inc., a Wyoming corporation ("Borrower"), hereby agrees to borrow from Rural Telephone Finance Cooperative ("RTFC" or "Lender"), a District of Columbia cooperative association, pursuant to the terms of this Agreement, dated as of January 29, 2016, for a revolving line of credit loan in an amount not to exceed Two Million and 00/100 Dollars (\$2,000,000.00) (the "Line of Credit Amount"). In consideration of their mutual premises hereunder and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lender and Borrower agree to the following terms and conditions:

1. **Revolving Credit and Term.** Lender agrees to make advances to the Borrower pursuant to the terms of this Agreement ("Advances"). The maximum principal amount outstanding at any point in time shall not exceed the Line of Credit Amount. Within such limits, the Borrower may borrow, repay and reborrow at any time or from time to time for a period up to two (2) years from the Effective Date (as defined herein) hereof (the "Maturity Date").

"Effective Date" shall mean the date designated as such by RTFC on the signature page hereof.

2. **Requisitions.** Borrower will requisition each Advance by submitting its written requisition to RTFC in form and substance satisfactory to RTFC no later than 12:00 noon local time at RTFC's offices in Dulles, Virginia on the Business Day prior to the Business Day Borrower seeks to have funds advanced. Such request shall be in the form of Exhibit A attached hereto. RTFC may require the Borrower to submit such additional information as it may reasonably require prior to funding the Advance request.

"Business Day" shall mean any day that both RTFC and the depository institution RTFC utilizes for funds transfers hereunder are open for business.

3. **Interest Rate and Payment.** The Borrower unconditionally promises and agrees to pay, as and when due, interest on all amounts advanced hereunder from the date of each Advance and to repay all amounts advanced hereunder with interest on the Maturity Date, if not sooner paid. Interest shall be due and payable in accordance with RTFC's regular billing cycles as may be in effect from time to time. RTFC shall send a payment notice to the Borrower at least five (5) days prior to the due date of any interest payment; provided, however, that RTFC's failure to send a payment notice shall not constitute a waiver by RTFC or be deemed to relieve Borrower of its obligation to make payments as and when due as provided for herein. All amounts shall be payable at RTFC's main office at 20701 Cooperative Way, Dulles, Virginia 20166 or at such other location as designated by RTFC from time to time.

The interest rate on all Advances will be equal to the RTFC Line of Credit Rate in effect from time to time. Interest will be computed on the basis of a 365 day year for the actual number of days that any Advance is outstanding. The effective date of an interest rate adjustment will be determined from time to time by RTFC, and shall remain in effect until any subsequent change in the interest rate occurs.

"RTFC Line of Credit Rate" shall mean the rate published by RTFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by RTFC from time to time.

If Borrower defaults on its obligation to make a payment due hereunder by the applicable due date, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31st) day after the due date and for so long as such default continues, Advances shall bear interest at the Default Rate.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred fifty (250) basis points.

4. **RTFC Accounts.** Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower resulting from each Advance made from time to time and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts (whether stored on computer memory, microfilm, invoices or otherwise) shall be presumptive evidence (absent manifest error) of the existence and amounts of the Borrower's transactions therein recorded.
5. **Corporate and Regulatory Approvals.** Borrower represents that it has obtained any and all necessary corporate and regulatory approvals for Borrower to execute and perform pursuant to this Agreement.
6. **Covenants of Borrower.** Borrower covenants and agrees with RTFC that, as long as this Agreement remains in effect and until all of the obligations hereunder have been paid in full, Borrower shall honor and be bound by the affirmative and negative covenants (collectively, the "Covenants") contained in Sections 6 and 7 of the Loan Agreement by and between Borrower and RTFC dated as of even date herewith (designated WY800-A-9003), as such loan agreement may be amended from time to time (the "Loan Agreement"), and such Covenants shall be incorporated by reference as if fully stated herein.
7. **Intentionally Omitted.**
8. **Costs and Expenses.** The Borrower shall reimburse RTFC for any reasonable costs and out-of-pocket expenses paid or incurred by RTFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions RTFC takes to (a) enforce the payment of any amount outstanding and due hereunder, or in preparation for such enforcement, (b) restructure of any indebtedness outstanding hereunder, (c) review, approve or grant any consents or waivers hereunder

and (d) prepare, negotiate, execute, deliver, review, amend or modify this Agreement. The amount of all such expenses identified in this paragraph 8 shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate; provided, however, that such interest rate shall not be in excess of the rate permitted by law.

9. **Late Payment Charges.** If payment of any principal and/or interest due under the terms of this Agreement is not received at Lender's office in Dulles, Virginia, or such other location designated by Lender within five (5) business days after the due date thereof (such unpaid amount of principal and/or interest being herein called the "delinquent amount," and the period beginning after such due date being herein called the "late-payment period"), Borrower will pay to Lender, on demand, in addition to all other amounts due under the terms of this Agreement, any late-payment charge as may then be in effect pursuant to Lender's policy on the delinquent amount for the late payment period.
10. **Credit Support.** This Agreement may not be used as credit support for any other financings without Lender's prior written approval.
11. **Notices, Acceleration of Debt and Waivers.** Borrower covenants and agrees with Lender that, as long as this Agreement remains in effect and until all of the obligations hereunder have been paid in full, Borrower agrees to notify Lender of any delinquency or default on any of its financial obligations, any material adverse change in its financial or business condition, and if any representation or warranty made in this Agreement has become untrue in any respect having a material adverse effect on the financial condition or business of the Borrower.

Lender may declare at any time all outstanding amounts hereunder immediately due and payable in full with accrued interest, without presentment or demand, and may withhold advances of funds upon the occurrence of any of the following: (a) any delinquency or default in payment of any sum due the Lender under the Agreement; (b) a court shall enter a decree or order for relief with respect to Borrower or any subsidiary or guarantor in an insolvency or bankruptcy or appoint a receiver, liquidator, trustee or similar official and such order remains in effect for a period of ninety (90) days; (c) Borrower or any subsidiary shall commence a voluntary case under bankruptcy, insolvency or similar law or consent to the appointment of a receiver, liquidator, or trustee; (d) the dissolution or liquidation of Borrower or subsidiary or guarantor or failure to forestall or remove any execution, garnishment or attachment of such consequence as to impair its ability to continue business and such execution, garnishment or attachment shall not be vacated within thirty (30) days; or (e) any other event as a result of which any holder of indebtedness may declare the same due and payable shall occur and continue for more than any applicable grace period.

If any representation or warranty herein shall become untrue, or Borrower shall fail to comply with any term of this Agreement or if the financial condition of Borrower shall have changed to the extent that such change in the reasonable judgment of RTFC, materially increases RTFC's risk hereunder, then RTFC at its discretion may withhold advances of funds and/or declare all outstanding amounts hereunder immediately due and payable in full with accrued interest, without presentment or demand.

The Borrower waives the defense of usury and all rights to set off, counterclaim, deduction or recoupment.

12. **Purpose, Repayments and Deposit.** Borrower agrees that any and all Advances hereunder will be used only for proper corporate purposes and consistently with the requirements of outstanding security documents of Borrower relating to its operations. Borrower agrees that this loan shall be repayable out of Borrower's general funds and that loan proceeds will not be deposited in any other account dedicated for secured financing advances.
13. **Intentionally Omitted.**
14. **Survival of Representations, Warranties and Payment Obligations.** Borrower agrees that the representations and warranties made in this Agreement shall survive the making of Advances hereunder. Any unsatisfied payment obligation hereunder shall survive the maturity and cancellation of this Agreement.
15. **Representations and Warranties.** Except as previously disclosed in writing to Lender, Borrower represents and warrants as of the date hereof and on the date of each and every Advance hereunder that:
 - (a) The Borrower has and will meet all obligations and be in compliance with all instruments under which it is bound and that all information submitted in support of this Agreement is true, complete and correct;
 - (b) There has been no material adverse change in the Borrower's business or financial condition from that set forth in its most recent audited financial statements provided to Lender;
 - (c) The Borrower has no outstanding loans from sources other than Lender;
 - (d) The Borrower is not in default in any material respect of any of its obligations and no litigation is threatened or pending which would have a material adverse impact on the Borrower's ability to perform under this Agreement; and
 - (e) The Borrower has no lines of credit with any other lenders.
16. **Consent to Patronage Capital Distributions.** Borrower hereby consents that the amount of any distributions with respect to Borrower's patronage which are made in written notices of allocation (as defined in Section 1388 of the Internal Revenue Code of 1986, as amended ("Code") including any other comparable successor provision) and which are received from Lender will be taken into account by Borrower at their stated dollar amounts in the manner provided in Section 1385(a) of the Code in the taxable year in which such written notices of allocation are received.
17. **Severability.** If any term, provision or condition, or any part thereof, of this Agreement shall for any reason be found or held invalid or unenforceable by any court or

governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

18. **Setoff.** Lender is hereby authorized at any time and from time to time without prior notice to the Borrower to exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by Lender or owed to the Borrower or for the credit or account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing hereunder. Lender agrees to notify the Borrower promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. The rights of Lender under this paragraph 18 are in addition to any other rights and remedies (including other rights of setoff or recoupment) which Lender may have.
19. **Reduce Balance to Zero.** In the event this Agreement is for a term of more than 12 months, then within 360 days of the first Advance, Borrower will reduce to zero for a period of at least five consecutive business days, (the last day of such five day period being herein called the "Zero Balance Date") amounts outstanding hereunder, and will reduce to zero for a period of at least five consecutive business days (the last day of such five business day period being called the "Subsequent Zero Balance Date") amounts outstanding hereunder within 360 days from the Zero Balance Date or Subsequent Zero Balance Date, as appropriate.
20. **Integration.** This Agreement and the matters incorporated by reference contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein, shall be valid and binding. No amendment or waiver to this Agreement shall be valid and binding except if in writing and signed by both parties.
21. **Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.
22. **Security.** As security for the payment and performance of all of the obligations hereunder, Borrower has entered into the Mortgage pledging and granting to the Lender a prior and continuing security interest in the Collateral that may be secured by the Mortgage that shall continually exist until all obligations hereunder have been paid in full. If reasonably required by the Lender at any time, Borrower shall make notations, satisfactory to the Lender, on its books and records disclosing the existence of the Lender's security interest in the Collateral. Borrower agrees that, with respect to the Collateral, which is subject to Article 9 of the Uniform Commercial Code, the Lender shall have, but not be limited to, all the rights and remedies of a secured party under the Uniform Commercial Code. The Lender shall have no liability or duty, either before or after the occurrence of an event of default hereunder, on account of loss of or damage to, or to collect or enforce any of its rights against, the Collateral, or to preserve any rights against account debtors or other parties with prior interests in the Collateral.

"Collateral" shall mean the Mortgaged Property, as such term is defined in the Mortgage, and all proceeds, cash and non-cash, including insurance proceeds, of each of the foregoing, whether in the possession of Borrower or any other person.

"Mortgage" shall mean the Mortgage and Security Agreement dated as of even date herewith by and between Borrower and RTFC, as it may have been or shall be supplemented, amended, consolidated, or restated from time to time.

23. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

- (a) **THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.**
- (b) **BORROWER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**
- (c) **EACH OF THE BORROWER AND RTFC HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

- 24. Notices.** All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative
20701 Cooperative Way
Dulles, VA 20166
Attention: Senior Vice President
Fax: 703-467-5170

The Borrower:

If by personal delivery, overnight mail or courier service:

Columbine Telephone Company, Inc.
104101 U.S. Highway 89
Freedom, WY 83120
Attention: General Manager

If by United States mail or by telecopy:

Columbine Telephone Company, Inc.
P.O. Box 226
Freedom, WY 83120
Attention: General Manager
Fax: (307) 883-2575

- 25. Termination and Cancellation of Existing Agreement.** Borrower agrees that its existing line of credit with Lender (RTFC Loan Designation No. WY800-R-5104), and any agreements relating thereto shall be terminated and any outstanding principal, interest and other amounts outstanding thereunder shall be transferred to the line of credit established pursuant to this Agreement and deemed an Advance hereunder.
- 26. Additional Terms and Conditions.** Additional terms and special conditions set forth on Schedule 1 attached hereto are an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Agreement under seal as of the date first above written.

COLUMBINE TELEPHONE COMPANY, INC.

By: [Signature]

Title: VP Finance / CFO

(SEAL)

Attest: [Signature]
Secretary

RURAL TELEPHONE FINANCE COOPERATIVE

By: _____
Assistant Secretary-Treasurer

(SEAL)

Attest: _____
Assistant Secretary-Treasurer

Effective Date: _____, 2016 (to be filled in by RTFC)

SCHEDULE 1

The Lender shall have no obligation to make Advances to Borrower hereunder unless each of the following conditions shall be satisfied as provided below:

1. Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for the Lender and to such local counsel as counsel for the Lender may retain.

2. Documents. There shall have been delivered to the Lender, fully completed and duly executed (when applicable), the following, satisfactory to the Lender and its counsel:

- (a) This Agreement.
- (b) Certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions herein contemplated.
- (c) A written opinion from Borrower's counsel addressing such legal matters as the Lender or its counsel shall reasonably require.
- (d) The Mortgage; (i) if any real property is owned by Borrower, a recorded valid and binding Mortgage in all jurisdictions necessary to grant Lender a first lien on all real property owned by Borrower; (ii) filed financing statements in all jurisdictions necessary to provide Lender a first priority, perfected security interest in all Collateral which may be perfected by the filing of financing statements; and (iii) such other documents as are necessary to create or continue a perfected security interest in favor of the Lender in the Collateral.

3. Government Approvals. The Borrower shall have furnished to the Lender true and correct copies of all certificates, authorizations and consents necessary for the execution, delivery or performance by the Borrower of this Agreement and the Mortgage.

4. Requisitions. RTFC shall have received Borrower's requisition for an Advance in form and substance satisfactory to RTFC. Such request shall be in the form of Exhibit A attached hereto. RTFC may require the Borrower to submit such additional information as it may reasonably require prior to funding the Advance request.

5. Further Assurances. Borrower will, upon demand of RTFC, make, execute, acknowledge and deliver all such further and supplemental indentures of mortgage, deeds of trust, mortgages, financing statements, continuation statements, security agreements and/or any other instruments and conveyances as may be reasonably requested by RTFC to effectuate the intention of this Agreement and to provide for the securing and payment of the principal of and interest due hereunder according to the terms hereof.

EXHIBIT A

RTFC Line of Credit Advance Request

Section A. Borrower / Loan Information

Borrower:	Columbine Telephone Company, Inc.	Loan Designation	WY800-R-5105
City, State:	Freedom, WY		
Contact Name:		Date of Request:	
Contact Tel. No.		Advance Date:	

Section B. Advance Amount

Purpose:		Advance Amount:	
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Section C. Wire Transfer Instructions

Check here if wire transfer instructions have changed since the last advance <input type="checkbox"/>			
Banking Information		Correspondent Bank Information (if applicable)	
Bank Name:		Routing Bank Name	
City, State:		Routing Bank City, State	
Bank ABA #		Routing Bank ABA #	
Bank Account #			
Bank Contact Name:			
Bank Contact Tel. No.			

Section D. Certification

Acting on behalf of the Borrower, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request funds as specified herein; (2) the proceeds from this Advance are to be used solely for the purposes set forth in the Secured Revolving Line of Credit Agreement between Borrower and RTFC that bears the Loan Designation shown above (the "Agreement"), and supporting documentation, if applicable, is attached hereto; (3) all of the representations and warranties contained in the Agreement are true; (4) no event of default has occurred and is continuing under the Agreement; and (5) I know of no other event that has occurred which, with the lapse of time and/or notification to RTFC of such event, or after giving effect to this Advance, would become an event of default under the Agreement.

I hereby authorize RTFC, for and on behalf of the Borrower, to make this Advance.

Certified By:

Signature

Date

Title of Authorized Officer

FOR RTFC USE ONLY

Acct. Mgr.		Entered By:	
U/A Amt.		Date Entered:	
Mat. Date		Approved By:	
LZBD:		Date Approved:	

MORTGAGE
AND
SECURITY AGREEMENT

Made By and Between

COLUMBINE TELEPHONE COMPANY, INC

Mortgagor

and

RURAL TELEPHONE FINANCE COOPERATIVE

Mortgagee

Dated as of January 29, 2016

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.

THIS INSTRUMENT SECURES FUTURE ADVANCES MADE BY THE MORTGAGEE TO THE MORTGAGOR AND FUTURE OBLIGATIONS OF THE MORTGAGOR TO THE MORTGAGEE.

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT WAS DRAFTED BY LORI M. BERESFORD OF RURAL TELEPHONE FINANCE COOPERATIVE, 20701 COOPERATIVE WAY, DULLES, VIRGINIA 20166. MORTGAGEE'S PHONE NUMBER IS 1-800-346-7095.

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January 29, 2016, made by and between COLUMBINE TELEPHONE COMPANY, INC. (hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of Wyoming and RURAL TELEPHONE FINANCE COOPERATIVE (hereinafter called the "Mortgagee"), a District of Columbia cooperative association.

WHEREAS, the Mortgagor has determined to borrow funds from the Mortgagee pursuant to a loan agreement and a secured revolving line of credit agreement (said loan agreement and secured revolving line of credit agreement, as they may be from time to time amended or supplemented, together with any other loan agreement or line of credit agreement between the Mortgagor and the Mortgagee in connection with any additional or future loan intended to be secured hereby, being hereinafter collectively called the "Loan Agreement"), identified in Exhibit I hereto (hereinafter called the "Instruments Recital"), and has accordingly duly authorized and executed, and delivered to the Mortgagee, a secured promissory note and a secured line of credit agreement (identified in the Instruments Recital as and hereinafter collectively called the "First Note") to be secured by this Mortgage of the property hereinafter described;

WHEREAS, it is contemplated that the First Note shall be secured by this Mortgage as well as additional notes and refunding, renewal and substitute notes and other evidences of indebtedness (hereinafter collectively called the "Additional Notes") which may from time to time be executed and delivered by the Mortgagor to the Mortgagee as hereinafter provided (the First Note and any Additional Notes being hereinafter collectively called the "Notes");

WHEREAS, the Mortgagor now operates and/or owns a communication and information service and other facilities identified in the Property Schedule attached as Exhibit II hereto (hereinafter called the "Existing Facilities"); and

WHEREAS, to the extent that any of the property described or referred to in this Mortgage is governed by the provisions of the Uniform Commercial Code of any state (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that this Mortgage be regarded as a "security agreement," a "financing statement" and a "fixture filing" under the Uniform Commercial Code.

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

ARTICLE I

SECURITY

SECTION 1.01. Granting Clause. In order to secure the payment of the principal of and interest on and any other amount due under the Notes, according to their tenor and effect, and further to secure the due performance of the covenants, agreements and provisions contained in this Mortgage and the Loan Agreement and to declare the terms and conditions upon which the Notes are to be secured, the Mortgagor, in consideration of the premises, has executed and delivered this Mortgage, and has granted, bargained, sold, conveyed, warranted, assigned, transferred,

mortgaged, pledged and set over, and by these presents does hereby grant, bargain, sell, convey, warrant, assign, transfer, mortgage, pledge and set over unto the Mortgagee, and the Mortgagor does hereby grant to the Mortgagee, for the purposes herein expressed, a security interest in the following properties, assets and rights of the Mortgagor, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (hereinafter sometimes called the "Mortgaged Property"):

I

All right, title and interest of the Mortgagor in and to the Existing Facilities and buildings, plants, works, improvements, structures, estates, grants, franchises, easements, rights, privileges and properties real, personal and mixed, tangible or intangible, of every kind or description, now owned or leased by the Mortgagor or which may hereafter be owned, leased, constructed or acquired by the Mortgagor, wherever located, and in and to all extensions and improvements thereof and additions thereto, including all buildings, plants, works, structures, improvements, fixtures, equipment, apparatus, materials, supplies, machinery, tools, implements, poles, posts, crossarms, conduits, ducts, lines, whether underground or overhead or otherwise, wires, cables, exchanges, switches, including, without limitation, host switches and remote switches, desks, testboards, frames, racks, motors, generators, batteries and other items of central office equipment, pay stations, subscriber equipment, including house wiring and protectors, instruments, connections and appliances, office furniture and equipment, work equipment and any and all other property of every kind, nature and description, used, useful or acquired for use by the Mortgagor in connection therewith and including, without limitation, the property described in the Property Schedule attached as Exhibit II hereto;

II

All right, title and interest of the Mortgagor in, to and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased, acquired, enjoyed or exercised, by the Mortgagor for the purposes of, or in connection with, the construction or operation by or on behalf of the Mortgagor of all properties, facilities, systems or businesses, whether underground or overhead or otherwise, wherever located;

III

All right, title and interest of the Mortgagor in, to and under any and all licenses, franchises, ordinances, privileges and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors by the United States of America, or by any state, or by any county, township, municipality, village or other political subdivision thereof, or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition or operation of all properties, facilities, systems or businesses, insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged, or pledged;

IV

All right, title and interest of the Mortgagor in, to and under all personal property and fixtures of every kind and nature including, without limitation, all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper, deposit accounts, letter-of-credit rights, investment property (including certificated and uncertificated securities, security entitlements and securities accounts), software, general intangibles, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds (as such terms are defined in the applicable Uniform Commercial Code; provided, however, that the term "instrument" shall be such term as defined in Article 9 of the applicable Uniform Commercial Code rather than Article 3);

V

All right, title and interest of the Mortgagor in, to and under any and all agreements, leases or contracts heretofore or hereafter executed by and between the Mortgagor and any person, firm or corporation relating to the Mortgaged Property (including contracts for the lease, occupancy or sale of the Mortgaged Property, or any portion thereof);

VI

All right, title and interest of the Mortgagor in, to and under any and all books, records and correspondence relating to the Mortgaged Property, including, but not limited to: all records, ledgers, leases and computer and automatic machinery software and programs, including without limitation, programs, databases, disc or tape files and automatic machinery print outs, runs and other computer prepared information indicating, summarizing evidencing or otherwise necessary or helpful in the collection of or realization on the Mortgaged Property;

VII

Also, all right, title and interest of the Mortgagor in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situated, now owned or hereafter acquired by the Mortgagor, it being the intention hereof that all such property now owned but not specifically described herein or acquired or held by the Mortgagor after the date hereof shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Mortgagor and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law;

Together with all rents, income, revenues, profits and benefits at any time derived, received or had from any and all of the above described property of the Mortgagor;

Provided, however, no automobiles, trucks, trailers, tractors or other vehicles (including without limitation aircraft or ships, if any) which are titled and/or

registered in any state of the United States and owned or used by the Mortgagor shall be included in the Mortgaged Property.

SUBJECT AND SUBORDINATE, HOWEVER, in each and every respect, to the rights of the mortgagee and the trustee under and pursuant to the First Mortgage, as defined in and as set forth on Exhibit III attached hereto.

TO HAVE AND TO HOLD all and singular the Mortgaged Property unto the Mortgagee and its assigns forever, to secure equally and ratably the payment of the principal of and interest on and any other amount due under the Notes, according to their tenor and effect, without preference, priority or distinction as to interest or principal (except as otherwise specifically provided herein) or as to lien or otherwise of any Note over any other Note by reason of the priority in time of the execution, delivery or maturity thereof or of the assignment or negotiation thereof, or otherwise, and to secure the due performance of the covenants, agreements and provisions herein and in the Loan Agreement contained, and for the uses and purposes and upon the terms, conditions, provisos and agreements hereinafter expressed and declared.

ARTICLE II

ADDITIONAL NOTES

SECTION 2.01. Additional Notes Secured by This Mortgage. The Mortgagor, when authorized by resolution of its board of directors, may from time to time execute and deliver to the Mortgagee one or more Additional Notes to evidence loans made by the Mortgagee to the Mortgagor. The Mortgagor, when authorized by resolution of its board of directors, may also from time to time execute and deliver one or more Additional Notes to refund any Note at the time outstanding and secured hereby, or in renewal of, or in substitution for, any such outstanding Note. Additional Notes shall contain such provisions and shall be executed and delivered upon such terms and conditions as the board of directors of the Mortgagor in the resolution authorizing the execution and delivery thereof and the Mortgagee shall prescribe. Additional Notes, including refunding, renewal and substitute Notes, when and as executed and delivered, shall be secured by this Mortgage, equally and ratably with all other Notes at the time outstanding, without preference, priority, or distinction of any of the Notes over any other of the Notes by reason of the priority of the time of the execution, delivery or maturity thereof or of the assignment or negotiation thereof. As used in this Mortgage, the term "directors" includes trustees.

SECTION 2.02. Supplemental Mortgages to Confirm Security. The Mortgagor, when authorized by resolution of its board of directors, may from time to time execute, acknowledge, deliver, record and file one or more supplements to this Mortgage which thereafter shall form a part hereof for the purpose of formally confirming this Mortgage as security for the Notes.

ARTICLE III

PARTICULAR COVENANTS OF THE MORTGAGOR

The Mortgagor covenants with the Mortgagee as follows:

SECTION 3.01. Authority to Execute and Deliver Notes and Mortgage; All Action Taken; Enforceable Obligations. The Mortgagor is duly authorized under its articles of incorporation and by-laws and the laws of the state of its organization and all other applicable provisions of law to execute and deliver the Notes and this Mortgage and to execute and deliver Additional Notes; and all corporate action on its part for the execution and delivery of the Notes and this Mortgage has been duly and effectively taken; and the Notes and this Mortgage are the valid and enforceable obligations of the Mortgagor in accordance with their respective terms, except to the extent enforceability may be limited by laws affecting creditors generally, by the exercise of judicial discretion in accordance with general provisions of equity or because waivers of statutory or common law rights or remedies may be limited.

SECTION 3.02. Authority to Mortgage Property; No Liens; Exception for Permitted Encumbrances; Mortgagor to Defend Title and Remove Liens. The Mortgagor warrants that it is the owner of, or has other rights in the Mortgaged Property, that it has good, right and lawful authority to mortgage the property described in the granting clauses of this Mortgage for the purposes herein expressed, and that the said property is free and clear of any deed of trust, mortgage, lien, charge or encumbrance thereon or affecting the title thereto, except (a) the lien of this Mortgage and taxes or assessments not yet due; (b) deposits or pledges to secure payment of workmen's compensation, unemployment insurance, old age pensions or other social security; (c) deposits or pledges to secure performance of bids, tenders, contracts (other than contracts for the payment of borrowed money), leases, public or statutory obligations, surety or appeal bonds, or other deposits or pledges for purposes of like general nature in the ordinary course of business; (d) liens permitted under Section 7.02(c) of the Loan Agreement after the date hereof; and (e) liens and encumbrances set forth on Exhibit III hereto.

The Mortgagor will, so long as any of the Notes shall be outstanding, maintain and preserve the lien of this Mortgage superior to all other liens affecting the Mortgaged Property and will forever warrant and defend the title to the property described as being mortgaged hereby to the Mortgagee against any and all claims and demands whatsoever. So long as any of the Notes shall be outstanding, Mortgagor shall not pledge, mortgage or create, or suffer to exist a security interest in the Mortgaged Property in favor of any person other than the Mortgagee, except for liens permitted by this Section 3.02 and by the Loan Agreement. Except to the extent being contested by Mortgagor in good faith, Mortgagor will promptly pay or discharge any and all obligations for or on account of which any such lien or charge might exist or could be created and any and all lawful taxes, rates, levies, assessments, liens, claims or other charges imposed upon or accruing upon any of the Mortgagor's property, or the franchises, earnings or business of the Mortgagor, as and when the same shall become due and payable; and whenever called upon so to do the Mortgagor will furnish to the Mortgagee adequate proof of such payment or discharge.

SECTION 3.03. Payment of Notes. The Mortgagor will duly and punctually pay the principal of and interest on the Notes in addition to any other amounts due thereunder at the dates and places and in the manner provided therein, according to the true intent and meaning thereof, and all other sums becoming due hereunder.

SECTION 3.04. Preservation of Legal Existence and Franchises; Compliance with Laws; Limitations on Mergers, Transfers and Purchases. The Mortgagor will at all times, so long as any of the Notes shall be outstanding, take or cause to be taken all such action as from time to time may be necessary to preserve its legal existence and to preserve and renew all franchises, rights of way, easements, permits and licenses necessary to the conduct of its business, and will materially comply with all valid laws, ordinances, regulations and requirements applicable to it or its property. The Mortgagor will not, without the approval in writing of the Mortgagee, take or suffer to be taken any steps to reorganize, or to consolidate with or merge into any other entity other than as provided for in the Loan Agreement.

SECTION 3.05. Maintenance of Mortgaged Property. The Mortgagor will at all times maintain and preserve the Mortgaged Property in good repair, working order and condition, ordinary wear and tear and disposition of property in the ordinary course of business excepted, and will not use the same in violation of law or any policy of insurance thereon. The Mortgagor will from time to time make all needful and proper repairs, renewals and replacements, and useful and proper alterations, additions, betterments and improvements in accordance with prudent industry practice, and will, subject to contingencies beyond its reasonable control, at all times keep its plant and properties in continuous operation and use all reasonable diligence to furnish the subscribers served by it through the Mortgaged Property with adequate service.

SECTION 3.06. Purchase of Property Free of Liens. The Mortgagor will purchase all materials, equipment, supplies and replacements to be incorporated in or used in connection with or otherwise constituting Mortgaged Property outright, and not subject to any conditional sales agreement, chattel mortgage, bailment, lease, or other agreement reserving to the seller any right, title or lien except (a) current trade obligations incurred in the ordinary course of business, (b) as specifically authorized in writing in advance by the Mortgagee, (c) as permitted under Section 7.02(c) of the Loan Agreement, or (d) in the case of vehicles which are titled and/or registered in any state of the United States and owned or used by the Mortgagor.

SECTION 3.07. Insurance; Restoration of Damaged Mortgaged Property. The Mortgagor will at all times at its own expense maintain, with financially sound and reputable insurers, property and casualty insurance (including fidelity bonds) with respect to its properties and business against such casualties and contingencies of such types and in such amounts as is customary in the case of any entity of established reputation engaged in the same or a similar business and owning similar properties in similar geographic areas. Such insurance shall be in such minimum amounts that the Mortgagor shall not be deemed a co-insurer under applicable insurance laws, regulations and policies and otherwise shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Mortgagee. The Mortgagor will cause the Mortgagee to be named as a loss payee under a standard non-contributory "mortgagee", "lender" or "secured party" clause on all insurance policies upon the Mortgaged Property and such policies shall (a) contain a clause which provides that the Mortgagee's interest under the policy will not be invalidated by any act or omission of, or any breach of warranty by, the insured, or by any change in the title, ownership or possession of the insured property, or by the use of the property for purposes more hazardous than is permitted in the policy, and (b) provide that no cancellation, reduction in amount or change in coverage thereto shall be

effective until at least thirty (30) days after receipt by the Mortgagee of written notice thereof and shall be endorsed to require thirty (30) days advance written notice to the Mortgagee of any cancellation of coverage. Without limiting the foregoing, the Mortgagor will (i) keep all of its physical property insured with casualty or hazard insurance on an "all risks" basis, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property, (ii) maintain all such workers' compensation or similar insurance as may be required by law and (iii) maintain in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring on, in or about the properties of the Mortgagor and business interruption insurance. The Mortgagor will, upon request of the Mortgagee, submit a schedule of its insurance in effect on the date specified in such request and shall, if so requested by the Mortgagee, furnish the Mortgagee with certificates of insurance and policies evidencing compliance with the foregoing insurance provision. In the event of failure by the Mortgagor to provide and maintain insurance as herein provided, the Mortgagee may, at its option, provide such insurance and charge the amount thereof to the Mortgagor, and all sums so advanced for said purpose with interest thereon at the highest rate provided in the Notes shall be deemed a charge upon the Mortgaged Property in the same manner as the Notes at the time outstanding are secured and shall be forthwith paid to Mortgagee making such advance or advances upon demand; provided, however, that such interest rate shall not be in excess of the rate permitted by law. The Mortgagee shall have no obligation to the Mortgagor to make any such expenditures, nor shall the making thereof relieve the Mortgagor of any default hereunder.

In the event of damage to or the destruction or loss of any portion of the Mortgaged Property which shall be covered by insurance, unless the Mortgagee shall otherwise agree, the Mortgagor shall replace or restore such damaged, destroyed or lost portion so that the Mortgaged Property shall be in substantially the same condition as it was in prior to such damage, destruction or loss, and shall apply the proceeds of the insurance for that purpose. The Mortgagor shall replace the loss or shall commence such restoration promptly after such damage, destruction or loss shall have occurred and shall complete such replacement or restoration as expeditiously as practicable, and shall pay or cause to be paid out of the proceeds of such insurance all costs and expenses in connection therewith so that such replacement or restoration shall be so completed that the portion of the Mortgaged Property so replaced or restored shall be free and clear of all mechanics' liens and other claims.

SECTION 3.08. Mortgagee's Right to Expend Money to Protect Mortgaged Property. In the event of the failure of the Mortgagor to comply with material covenants and conditions herein contained with respect to the procuring of insurance, the payment of taxes, assessments and other charges, the keeping of the Mortgaged Property in repair and free of liens and other claims or to comply with any other material covenant contained in this Mortgage, Mortgagee shall have the right (without prejudice to any other rights arising by reason of such default) to advance or expend moneys for the purpose of procuring such insurance, or for the payment of insurance premiums, taxes, assessments or other charges unless being contested by Mortgagor in good faith, or to save the Mortgaged Property from sale or forfeiture for any unpaid tax or assessment, or otherwise, or to redeem the same from any tax or

other sale, or to purchase any tax title thereon unless being contested by Mortgagor in good faith, or to remove or purchase any recorded mechanics' liens or other encumbrance thereon, or to make repairs thereon or to comply with any other covenant herein contained or to prosecute or defend any suit in relation to the Mortgaged Property or in any manner to protect the Mortgaged Property and the title thereto, and all sums so advanced for any of the aforesaid purposes with interest thereon at the highest rate provided in the Notes shall be deemed a charge upon the Mortgaged Property in the same manner as the Notes at the time outstanding are secured and shall be forthwith paid to Mortgagee making such advance or advances upon demand; provided, however, that such interest rate shall not be in excess of the rate permitted by law. It shall not be obligatory for Mortgagee in making any such advances or expenditures to inquire into the validity of any such tax title, or of any of such taxes or assessments or sales therefor, or of any such mechanics' liens or other encumbrance.

SECTION 3.09. Further Assurances to Confirm Security of Mortgage.

Upon the written request of the Mortgagee, the Mortgagor shall promptly make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental indentures of mortgage, deeds of trust, mortgages, financing statements and amendments thereto (including continuation statements), security agreements, pledge agreements, stock powers or other such instruments of transfer or assignment duly executed in blank, stock certificates or other securities representing any of the Mortgaged Property, instruments (including any promissory notes held or acquired by the Mortgagor, duly endorsed and assigned to the Mortgagee) and conveyances as may reasonably be requested by the Mortgagee, and take or cause to be taken all such further action as may reasonably be requested by the Mortgagee to insure the attachment, perfection and first priority of, and the ability of the Mortgagee to enforce, the Mortgagee's lien on and security interest in any or all of the Mortgaged Property. The Mortgagor will cause this Mortgage and any and all supplemental indentures of mortgage, mortgages and deeds of trust and every security agreement, financing statement, amendment thereto (including continuation statements) and every additional instrument which shall be executed pursuant to the foregoing provisions forthwith upon execution to be recorded and filed and re-recorded and re-filed as conveyances and mortgages and deeds of trust of and security interests in real and personal property in such manner and in such places as may be required by law or reasonably requested by the Mortgagee in order to insure the attachment, perfection and first priority of, and the ability of the Mortgagee to enforce, the Mortgagee's lien on and security interest in any or all of the Mortgaged Property.

SECTION 3.10. Application of Proceeds from Condemnation.

In the event that the Mortgaged Property, or any part thereof, shall be taken under the power of eminent domain, all proceeds and avails therefrom, except to the extent that Mortgagee shall consent to other use and application thereof by the Mortgagor, shall forthwith be applied by the Mortgagor: first, either to acquire additional Mortgaged Property or to the ratable payment of any indebtedness by this Mortgage secured other than principal of or interest on the Notes; second, to the ratable payment of interest which shall have accrued on the Notes and be unpaid; third, to the ratable payment of or on account of the unpaid principal of the Notes; and fourth, the balance shall be paid to Mortgagor or whosoever shall be entitled thereto.

SECTION 3.11. Compliance with Loan Agreement. The Mortgagor will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Loan Agreement on its part to be observed or performed. In the event of any inconsistency between the terms and conditions of this Mortgage and the Loan Agreement, the more restrictive provisions shall apply to the Mortgagor.

SECTION 3.12. Mortgagor's Legal Status. (a) The Mortgagor represents, warrants, covenants and agrees that: (i) the Mortgagor's exact legal name is that indicated on the signature page hereof, (ii) the Mortgagor is an organization of the type and organized in the jurisdiction set forth on the first page hereof, and (iii) Section 7.04 hereof accurately sets forth the Mortgagor's place of business or, if more than one, its chief executive office as well as the Mortgagor's mailing address if different.

(b) (i) The Mortgagor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address without providing prior written notice to the Mortgagee at least thirty (30) days prior to the effective date of any change, and (ii) the Mortgagor will not change its type of organization, jurisdiction of organization or legal structure without the prior written consent of the Mortgagee.

SECTION 3.13. Rights of Way, etc., Necessary in Business. The Mortgagor will exercise reasonable efforts to obtain all such rights of way, easements from landowners and releases from lienors as shall be necessary or advisable in the conduct of its business, and, if requested by the Mortgagee, deliver to the Mortgagee evidence satisfactory to the Mortgagee of the obtaining of such rights of way, easements or releases.

SECTION 3.14. Sale of Assets. The Mortgagor and any Subsidiary (as defined in the Loan Agreement) of the Mortgagor may not, without prior written approval of the Mortgagee, sell, lease or transfer any Mortgaged Property, unless the fair market value of such asset is less than one percent (1%) of Mortgagor's total assets, and the aggregate value of assets sold, leased or transferred in any 12-month period is less than five percent (5%) of Mortgagor's total assets. The proceeds of such sale, lease or transfer, less ordinary and reasonable expenses incident to such sale transaction, must be (a) immediately applied as prepayment of the Notes, to such installments as may be designated by the Mortgagee at the time of such prepayment, (b) used to buy replacement property as may be designated by Mortgagee at the time of any such prepayment; or (c) set aside as a deposit in an account selected by the Mortgagor.

SECTION 3.15. Authorization to File Financing Statements. The Mortgagor hereby irrevocably authorizes the Mortgagee at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Mortgaged Property (i) as all assets of the Mortgagor or words of similar effect, regardless of whether any particular asset comprised in the Mortgaged Property falls within the scope of Article 9 of the applicable Uniform Commercial Code, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the applicable Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Mortgagor is an organization and the type of organization and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Mortgaged

Property relates. The Mortgagor agrees to furnish any such information to the Mortgagee promptly upon request. The Mortgagor also ratifies its authorization for the Mortgagee to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

SECTION 3.16. Other Actions Concerning Mortgaged Property. The Mortgagor will take any other action reasonably requested by the Mortgagee to insure the attachment, perfection and first priority of, and the ability of the Mortgagee to enforce, the Mortgagee's lien on and security interest in any and all of the Mortgaged Property including, without limitation (a) complying with any provision of any statute, regulation or treaty of the United States as to any Mortgaged Property if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Mortgagee to enforce, the Mortgagee's security interest in such Mortgaged Property, (b) obtaining governmental and other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on Mortgaged Property, (c) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Mortgagee and (d) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant Uniform Commercial Code jurisdiction, or by other law as applicable in any foreign jurisdiction.

ARTICLE IV

REMEDIES OF THE MORTGAGEE

SECTION 4.01. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) **Representations and Warranties.** Any representation or warranty made herein, in any Loan Agreement, or in any statement, report, certificate, opinion, financial statement or other document furnished or to be furnished in connection with this Mortgage or any Loan Agreement shall be false or misleading in any material respect.
- (b) **Payment.** Failure of Mortgagor to make any payment of interest on, or principal of, any Note or failure to make payment of any other amount due thereunder including, without limitation, any sum due the Mortgagee under any Loan Agreement when and as the same shall become due, whether at the due date thereof, by demand, by acceleration or otherwise.
- (c) **Other Covenants.** Failure of Mortgagor to observe or perform any warranty, covenant, or condition to be observed or performed by Mortgagor under this Mortgage, any Loan Agreement or any Note.
- (d) **Legal Existence.** The Mortgagor shall forfeit or otherwise be deprived of its charter, franchises, permits, easements, consents or licenses required to carry on any material portion of its business.

- (e) **Bankruptcy.** (i) A court shall enter a decree or order for relief with respect to the Mortgagor, or any Subsidiary or guarantor (if applicable) in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official, or order the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days, or (ii) the Mortgagor or any Subsidiary or guarantor (if applicable) shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking of possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors.
- (f) **Dissolution or Liquidation.** (i) Other than as provided in subsection (e) above, the dissolution or liquidation of the Mortgagor, or any Subsidiary or guarantor (if applicable), or (ii) failure by the Mortgagor, or any Subsidiary or guarantor (if applicable) to promptly forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) days.
- (g) **Final Judgment.** A final nonappealable judgment in excess of \$100,000 shall be entered against the Mortgagor and shall remain unsatisfied or without a stay in respect thereof for a period of sixty (60) days.
- (h) **Other Obligations.** Default by the Mortgagor in the payment when due of any money owed by the Mortgagor, whether principal, interest, premium or otherwise, under any other agreement for borrowing money in an amount in excess of five percent (5%) of total assets, whether or not such borrowing is secured.
- (i) **First Mortgage.** Failure by the Mortgagor to (i) pay any installment or additional payment when due under the note secured by the First Mortgage, or (ii) make any additional payment as and at the time required under the First Mortgage; or (iii) promptly and faithfully perform all of the other terms, covenants and conditions of the First Mortgage, the note secured thereby, or any other instrument executed simultaneously or in connection therewith.

Section 4.02. Remedies of Mortgagee. Upon the occurrence of an Event of Default, the Mortgagee may, subject to:

- (a) thirty (30) days prior written notice during which time Mortgagor shall have the opportunity to cure said Event of Default, except with respect to Events of Default pursuant to Sections 4.01(a), 4.01(b), 4.01(c) if no grace period is provided for under Section 8(c)(i) of the Loan Agreement, 4.01(e)(ii) and 4.01(f)(i) above which shall require no notice or demand and shall have no period to cure; provided, however, that Mortgagor shall not be entitled to any separate notice and opportunity to cure any Event of Default which specifies its own cure period, as for example, the Event of Default specified in Section 4.01(g); and
- (b) compliance, if required, with the rules and regulations of the Federal Communications Commission ("FCC") and any state public service or utilities commission having jurisdiction;

exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to all rights and remedies available to the Mortgagee under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently:

- (i) take immediate possession of the Mortgaged Property, collect and receive all credits, outstanding accounts and bills receivable of the Mortgagor and all rents, income, revenues and profits pertaining to or arising from the Mortgaged Property, or any part thereof, and issue binding receipts therefor; and manage, control and operate the Mortgaged Property as fully as the Mortgagor might do if in possession thereof, including, without limitation, the making of all repairs or replacements deemed necessary or advisable; provided, however, that Mortgagee agrees to abide by any notice requirement contained in FCC Rules, 47 C.F.R. 22.937(f), in connection with any of the Mortgaged Property which is covered by such section or any successor provision;
- (ii) proceed to protect and enforce the rights of the Mortgagee under this Mortgage by suits or actions in equity or at law in any court or courts of competent jurisdiction, whether for specific performance of any covenant or any agreement contained herein or in aid of the execution of any power herein granted or for the foreclosure hereof or hereunder or for the sale of the Mortgaged Property, or any part thereof, or to collect the debts hereby secured or for the enforcement of such other or additional appropriate legal or equitable remedies as may be deemed most effectual to protect and enforce the rights and remedies herein granted or conferred, and in the event of the institution of any such action or suit Mortgagee shall have the right to have appointed a receiver of the Mortgaged Property and of all rents, income, revenues and profits pertaining thereto or arising therefrom derived, received or had from the time of the commencement of such suit or action, and such receiver shall have all the usual powers and duties of

receivers, in like and similar cases, to the fullest extent permitted by law, and if application shall be made for the appointment of a receiver the Mortgagor hereby expressly consents that the court to which such application shall be made may make said appointment;

- (iii) sell or cause to be sold consistent with the applicable Uniform Commercial Code all and singular the Mortgaged Property or any part thereof, and all right, title, interest, claim and demand of the Mortgagor therein or thereto, at public auction at such place in any county in which the property to be sold, or any part thereof is located, at such time and upon such terms as may be specified in a notice of sale, which shall state the time when and the place where the sale is to be held, shall contain a brief general description of the property to be sold, and, unless the Mortgaged Property or any part thereof is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, shall be given by mailing a copy thereof to the Mortgagor at least fifteen (15) days prior to the date fixed for such sale and by publishing the same once in each week for two successive calendar weeks prior to the date of such sale in a newspaper of general circulation published in said county, or if no such newspaper is published in such county, in a newspaper of general circulation in such county, the first such publication to be not less than fifteen (15) days nor more than thirty (30) days prior to the date fixed for such sale. Any sale to be made under this subparagraph (iii) of this Section 4.02 may be adjourned from time to time by announcement at the time and place appointed for such sale or for such adjourned sale and without further notice or publication the sale may be had at the time and place to which the same shall be adjourned; provided, however, that in the event another or different notice of sale or another or different manner of conducting the same shall be required by law, the notice of sale shall be given or the sale shall be conducted, as the case may be, in accordance with the applicable provisions of law;
- (iv) declare all unpaid principal outstanding on any Note, all accrued and unpaid interest thereon, and all other amounts due under the Loan Agreement and/or Notes to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and
- (v) upon the occurrence of an Event of Default because of the existence of any lien upon the Mortgaged Property, or in the event of a default under the First Mortgage or any document executed in connection therewith, Mortgagee shall have the right, (without being obligated to do so), without notice to Mortgagor, to advance on and for the account of Mortgagor such sums as Mortgagee in its sole discretion deems necessary to cure such default or to

induce the holder of any such lien to forbear from exercising any of its remedies under such First Mortgage or otherwise. The repayment of all such advances, with interest thereon at the highest rate set forth in the Notes from the date of each such advance, shall be secured hereby and shall be immediately due and payable without demand.

SECTION 4.03. Right of Mortgagee to Bid on Mortgaged Property. At any sale hereunder Mortgagee shall have the right to bid for and purchase the Mortgaged Property, or such part thereof as shall be offered for sale, and Mortgagee may apply in settlement of the purchase price of the property so purchased the portion of the net proceeds of such sale which would be applicable to the payment on account of the principal of and interest on and any other sum due pursuant to the Notes held by Mortgagee and such amount so applied shall be credited as a payment on account of principal of and interest on and any other sum due pursuant to the Notes held by Mortgagee.

SECTION 4.04. Application of Proceeds from Remedial Actions. Any proceeds of funds arising from the exercise of any rights or the enforcement of any remedies herein provided after the payment or provision for the payment of any and all costs and expenses in connection with the exercise of such rights or the enforcement of such remedies shall be applied first, to the payment of indebtedness hereby secured other than the principal of or interest on the Notes; second, to the ratable payment of interest which shall have accrued on the Notes and which shall be unpaid; third, to the ratable payment of or on account of the unpaid principal of the Notes, and the balance, if any, shall be paid to Mortgagor or whosoever shall be entitled thereto.

SECTION 4.05. Notice of Default. The Mortgagor covenants that it will give prompt written notice to Mortgagee of the occurrence of an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default.

SECTION 4.06. No Waiver by Mortgagee; Remedies Cumulative; No Election. The Mortgagee shall not be deemed to have waived any of its rights upon or under the Notes or the Mortgaged Property unless such waiver shall be in writing and signed by the Mortgagee. No delay or omission on the part of the Mortgagee in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. Every right or remedy herein conferred upon or reserved to Mortgagee shall be cumulative and shall be in addition to every other right and remedy given hereunder or now or hereafter existing at law, or in equity, or by statute. The pursuit of any right or remedy shall not be construed as an election.

SECTION 4.07. Waiver of Appraisement Rights. To the extent permitted under applicable law, the Mortgagor, for itself and all who may claim through or under it, covenants that it will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of, any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the Mortgaged Property may be situated, in order to prevent, delay or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged

Property, or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, and the Mortgagor, for itself and all who may claim through or under it, hereby waives the benefit of all such laws unless such waiver shall be forbidden by law.

ARTICLE V

POSSESSION UNTIL DEFAULT-DEFEASANCE CLAUSE

SECTION 5.01. Possession Until Default. Until some one or more of the Events of Default shall have happened, the Mortgagor shall be suffered and permitted to retain actual possession of the Mortgaged Property, and to manage, operate and use the same and any part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the rents, revenues, issues, earnings, income, products and profits thereof or therefrom, subject to the provisions of this Mortgage.

SECTION 5.02. Defeasance. Upon payment of the full amount of the principal of and interest on the Notes and upon payment of all other sums payable hereunder by the Mortgagor, all property, rights and interests hereby conveyed or assigned or pledged shall revert to the Mortgagor and the estate, right, title and interest of the Mortgagee shall thereupon cease, determine and become void and the Mortgagee, in such case, on written demand of the Mortgagor, but at the Mortgagor's cost and expense, shall enter satisfaction of this Mortgage upon the record.

ARTICLE VI

POWER OF ATTORNEY

SECTION 6.01. Appointment and Powers of Mortgagee. The Mortgagor hereby irrevocably constitutes and appoints the Mortgagee and any officer or agent thereof, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of the Mortgagor or in the Mortgagee's own name, for the purpose of carrying out the terms of this Mortgage, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or desirable to accomplish the purposes of this Mortgage and, without limiting the generality of the foregoing, hereby gives said attorneys the power and right, on behalf of the Mortgagor, without notice to or assent by the Mortgagor, to do the following:

- (a) upon the occurrence and during the continuance of an Event of Default which has not been cured within any applicable grace period, generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Mortgaged Property in such manner as is consistent with the applicable Uniform Commercial Code and other applicable law and as fully and completely as though the Mortgagee were the absolute owner thereof for all purposes, and to do at the Mortgagor's expense, at any time, or from time to time, all acts and things which the Mortgagee deems necessary to protect, preserve or realize upon

the Mortgaged Property and the Mortgagee's security interest therein, in order to effect the intent of this Mortgage, all as fully and effectively as the Mortgagor might do, including, without limitation (i) upon written notice to the Mortgagor, the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Mortgagee so elects, with a view to causing the liquidation in a commercially reasonable manner of assets of the issuer of any such securities and (ii) the execution, delivery and recording, in connection with any sale or other disposition of any Mortgaged Property, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Mortgaged Property; and

- (b) to the extent that the Mortgagor's authorization given in Section 3.15 hereof is not sufficient, to file such financing statements with respect hereto, with or without the Mortgagor's signature, or a photocopy of this Mortgage in substitution for a financing statement, as the Mortgagee may deem appropriate and to execute in the Mortgagor's name such financing statements and amendments thereto and continuation statements which may require the Mortgagor's signature.

SECTION 6.02. Ratification by Mortgagor. To the extent permitted by law, the Mortgagor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

SECTION 6.03. No Duty on Mortgagee. The powers conferred on the Mortgagee hereunder are solely to protect its interests in the Mortgaged Property and shall not impose any duty upon it to exercise any such powers.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Property Deemed Real Property. It is hereby declared to be the intention of the Mortgagor that all lines or systems embraced in the Mortgaged Property, including, without limitation, all rights of way and easements granted or given to the Mortgagor or obtained by it to use real property in connection with the construction, operation or maintenance of such lines or systems, and all service and connecting lines, poles, posts, cross-arms, wires, cables, conduits, ducts, connections and fixtures forming part of or used in connection with such lines or systems and all other property physically attached to any of the foregoing described property, shall be deemed to be real property.

SECTION 7.02. Mortgage to Bind and Benefit Successors and Assigns. All of the covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf of the Mortgagor shall bind its successors and assigns, whether so specified or not, and all titles, rights and remedies hereby granted to or conferred upon the Mortgagee shall pass to and inure to the benefit of the successors

and assigns of the Mortgagee and shall be deemed to be granted or conferred for the ratable benefit and security of all who shall from time to time be the holders of Notes executed and delivered as herein provided.

SECTION 7.03. Headings. The descriptive headings of the various articles of this Mortgage were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 7.04. Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Mortgage shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Mortgagee:

Rural Telephone Finance Cooperative
20701 Cooperative Way
Dulles, VA 20166
Attention: Senior Vice President
Fax: 703-467-5170

The Mortgagor:

If by personal delivery, overnight mail or courier service:

Columbine Telephone Company, Inc.
104101 U.S. Highway 89
Freedom, WY 83120
Attention: General Manager

If by United States mail or telecopy:

Columbine Telephone Company, Inc.
P.O. Box 226
Freedom, WY 83120
Attention: General Manager
Fax: 307-883-2575

SECTION 7.05. Regulatory Approvals. Notwithstanding anything to the contrary contained in this Mortgage, the Loan Agreement, or in any related agreement, instrument or document, Mortgagee shall not take any action requiring the prior approval

of the FCC or any state public service or utilities commission having jurisdiction without first obtaining such approval.

SECTION 7.06. Severability. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions shall not affect the remaining portions of this Mortgage, nor shall any such invalidity as to any holder of Notes hereunder affect the rights hereunder of any other holder of Notes.

SECTION 7.07. Counterparts. This Mortgage may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 7.08. Mortgage Deemed Security Agreement. To the extent that any of the property described or referred to in this Mortgage is governed by the provisions of the Uniform Commercial Code, this Mortgage is hereby deemed a "security agreement," a "financing statement" and a "fixture filing" under the Uniform Commercial Code. The Mortgagor herein is the "debtor" and the Mortgagee herein is the "secured party." The mailing addresses of the Mortgagor as debtor and of the Mortgagee as secured party are as set forth in Section 7.04 hereof. The Mortgagor is an organization of the type and organized in the jurisdiction set forth on the first page hereof.

SECTION 7.09. Use of Terms. The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa.

SECTION 7.10. Costs and Expenses. The Mortgagor shall pay to the Mortgagee on demand any and all expenses, including reasonable attorneys' fees and disbursements incurred or paid by the Mortgagee in protecting, preserving or enforcing the Mortgagee's rights under or in respect of any of the Notes or any of the Mortgaged Property. Such sums shall be secured hereby and shall be payable on demand, with interest thereon at the highest rate provided in the Notes; provided, however, that such interest rate shall not be in excess of the rate permitted by law.

SECTION 7.11. Mortgagor Remains Liable. Anything herein to the contrary notwithstanding, the Mortgagor shall remain liable under each contract, agreement, license or permit comprised in the Mortgaged Property to be observed or performed by the Mortgagor thereunder. The Mortgagee shall not have any obligation or liability under any such contract, agreement, license or permit by reason of or arising out of this Mortgage or the receipt by the Mortgagee of any payment relating to any of the Mortgaged Property, nor shall the Mortgagee be obligated in any manner to perform any of the obligations of the Mortgagor under or pursuant to any such contract, agreement, license or permit or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 7.12. Pledge Agreement. In the event that any of the Mortgaged Property hereunder is also subject to a valid and enforceable security interest or pledge under the terms of any pledge agreement by and between the Mortgagor and the Mortgagee and the terms of such pledge agreement are inconsistent with the terms of this Mortgage, then with respect to such Mortgaged Property, the

terms of such pledge agreement shall be controlling in the case of such Mortgaged Property.

IN WITNESS WHEREOF, COLUMBINE TELEPHONE COMPANY, INC., as Mortgagor, has caused this Mortgage to be signed in its name and its seal to be hereunto affixed and attested by its officers thereunto duly authorized, and RURAL TELEPHONE FINANCE COOPERATIVE, as Mortgagee, has caused this Mortgage to be duly executed in its behalf, all as of the day and year first above written.

COLUMBINE TELEPHONE COMPANY,
INC.

(SEAL)

By: 

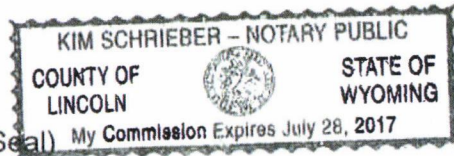
Title: VP Finance / CFO

Attest: 

Secretary

STATE OF WYOMING)
) SS
COUNTY OF Lincoln)

This instrument was acknowledged before me this 29th day of January,
2016, by Jefferson H. England as VP/CEO of
COLUMBINE TELEPHONE COMPANY, INC., a Wyoming corporation.



(Notarial Seal)

Kim Schrieber
Notary Public

My commission expires: 7.28.17

RURAL TELEPHONE FINANCE
COOPERATIVE


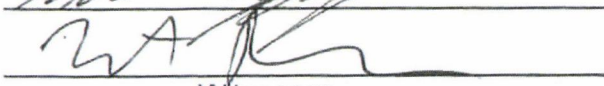
(SEAL)

By: 
Assistant Secretary-Treasurer

Ian M. Flanders

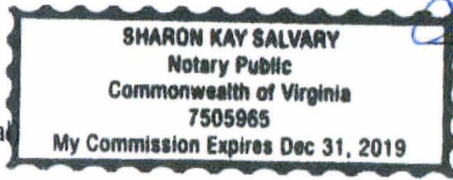
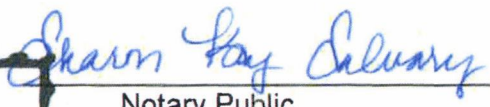
Attest: 
Assistant Secretary-Treasurer
Irina Tumanova

Executed by the Mortgagee
in the presence of:

 Matt Augustosky
 Vincent DiRenzo
Witnesses

COMMONWEALTH OF VIRGINIA)
)
COUNTY OF LOUDOUN) SS

The foregoing instrument was acknowledged before me this 14 day of January, 2016 by Ian M. Flanders, Assistant Secretary-Treasurer of RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association, on behalf of the association.

(Notary Seal)  
Notary Public

Notary registration number: _____

My commission expires: _____

Exhibit I

INSTRUMENTS RECITAL

INSTRUMENTS RECITAL

The instruments referred to in the preceding recitals are as follows:

1. "Loan Agreement" shall mean collectively, (a) that certain loan agreement dated as of even date herewith and (b) that certain secured revolving line of credit agreement dated as of even date herewith.
2. "First Note" shall mean collectively, that certain promissory note and evidence of indebtedness described as follows:

Loan Designation	Stated Principal Amount	Date	Maturity Date
WY800-A-9003 (Secured Promissory Note)	\$1,333,334.00	As of even date herewith	Eight (8) years from the date hereof
WY800-R-5105 (Secured Revolving Line of Credit Agreement)	\$2,000,000.00	As of even date herewith	Two (2) years from the date hereof

Exhibit II

PROPERTY SCHEDULE

- (a) The Existing Facilities are located in the Counties of Bonneville, Caribou, Madison and Teton in the State of Idaho.
- (b) The property referred to in the last lines of paragraph I of the Granting Clause includes the following described real estate:

Parcel No. 1

Commencing at a point 161 ½ feet West of the Southeast corner of lot 8 in Block 25 of the townsite of Driggs, Teton County, Idaho, as per the recorded plat thereof, and running thence East 37 feet, thence North 6 ½ Rods, thence West 37 feet, thence South 6 ½ rods to the point of beginning.

Parcel No. 2

All of lot 16 and portion of lot 15 in block 24 of the townsite of Tetonia, Teton County, more particularly described as follows: beginning at the Northwest corner of lot 16 in block 24 of the townsite of Tetonia, Teton County, Idaho, as per the recorded plat thereof, and running thence south 34 feet, thence 130 feet, thence North 34 feet, thence West 130 feet to the point of beginning.

Parcel No.3

Beginning at the Northeast corner of lot 2 in Block 6 of the townsite of Victor, Teton County, Idaho, as per the recorded plat thereof, and running thence South 89°50'20" West 25 feet, thence South 0°26'20" West 330 feet, thence North 89°50'20" East 25 feet, thence North 0°26'20" East 25 feet of lot 2 in block 6 of the townsite of Victor, Teton County, Idaho, as per the recorded plat thereof.

Parcel No. 4

Commencing at a point that is South 89°37'30" East 1470.0 feet, and South 250.0 feet from the Northwest corner of Section 13, Township 6 North, Range 43 East, Boise Meridian, Teton County, Idaho, and running thence South 89°37'30" East 200.0 feet, thence South 200.0 feet, thence North 89°37'30" West 200.0 feet, thence North 200.0 feet to the point of beginning.

Parcel No. 5

Commencing at a point that is North 89°40'16" East 139.98 feet and South 186.81 feet from the North Quarter corner of Section 1, Township 6 North, Range 43 East, Boise Meridian, Teton County, Idaho, and running thence North 89°40'16" East 150.0 feet; thence South 288.16 feet to a point on the North Right-of-Way line of Idaho State Highway 33, thence North 59°48' West 173.56 feet, along said Highway Right-of-Way; thence North 200.0 feet to the point of beginning.

Parcel No. 6

PARCEL 1:

Part of the Southwest Quarter of the Northwest Quarter of Section 8, Township 6 North, Range 40 East of the Boise Meridian, Madison County, Idaho, more particularly described as follows:

Commencing at the West Quarter corner of Section 8, from which the Northwest corner of said section bears North 00°14'14" West 2632.17 feet, the basis of bearings for this description;

Thence North 00°14'14" West 59.76 feet along the section line from said West Quarter corner;

Thence North 89°45'46" East 103.64 feet to an angle point in the highway right of way and being labeled on the highway plans of Federal Aid Project No. F-6471(42) as Station 82+75, 100' RT, said point also being marked by an Idaho Transportation Department concrete monument with brass cap;

Thence North 67°09'41" East 189.97 feet along right of way to a point being marked by a 5/8" iron rod with cap stamped PLS 12222, said point being the POINT OF BEGINNING;

Thence continuing along said right of way North 67°09'41" East 100.00 feet to a 5/8" iron rod with cap stamped PLS 12222;

Thence South 22°54'36" East 87.00 feet to a 5/8" iron rod with cap stamped PLS 12222;

Thence South 89°55'59" West 108.51 feet to a 5/8" iron rod with cap stamped PLS 12222;

Thence North 22°54'36" West 45.00 feet to the POINT OF BEGINNING.

Subject to an existing 10 feet wide easement along the Northwesterly side.

PARCEL 2:

Including a 30 feet wide access easement described as 15.00 feet both sides of the following described centerline:

Commencing at the West Quarter corner of Section 8, Township 6 North, Range 40 East, Boise Meridian, Madison County, Idaho, from which the Northwest corner of said section bears North 00°14'14" West 2632.17 feet, the basis of bearings for this description;

Thence North 00°14'14" West 49.35 feet along the section line from said West Quarter corner;

Thence North 89°45'46" East 117.67 feet to a point on the centerline of a 30 feet wide existing permanent access easement as shown on the highway plans of Federal Aid Project No. F- 6471(42), said point being the POINT OF BEGINNING;

Thence North 67°09'41" East 70.85 feet parallel with and 15.00 feet Southeasterly of the highway right of way;

Thence North 89°55'59" East 221.75 for the POINT OF TERMINUS.

PARCEL 3:

Including a 10 feet wide electrical power easement described as 5.00 feet both sides of the following described centerline:

Commencing at the West Quarter corner of Section 8, Township 6 North, Range 40 East, Boise Meridian, Madison County, Idaho, from which the Northwest corner of said section bears North 00°14'14" West 2632.17 feet, the basis of bearings for this description;

Thence North 00°14'14" West 54.10 feet along the section line from said West Quarter corner;

Thence North 89°45'46" East 103.07 feet to a point on the highway right of way, said point being the POINT OF BEGINNING and bearing North 05°29'29" East 5.68 feet from Station 82+75, 100' RT. as shown on the highway plans of Federal Aid Project No. F-6471(42);

Thence North 67°09'41" East 292.67 feet parallel with and 5.00 feet Southerly of said highway right of way to the POINT OF TERMINUS.

Parcel No. 7

All that certain lot, piece or parcel of land lying and begin in the county of Caribou, State of Idaho and more particularly described as follows, to-wit:

Township 6 South, Range 42 East of the Boise, Meridian; Section 10:

Beginning at a point on the North line of Section 10, South 89°49'45" West 192.50 feet of the Northeast corner of said section 10, said point being also on the Westerly right of way fence of State Highway No. 34, and running thence South 44°58'59" West 147.11 feet along said right of way fence to a point; thence South 89°46'19" West 104.24 feet to a point, thence North 00°09'36" West 104.24 feet, to a point on said North line; thence North 89°49'45" East 208.52 feet along said North line, to the point of beginning.

Parcel No. 8

All that portion of the NE ¼ of the NE ¼ of the Section 20, Township 1 North, Range 44 East of the Boise Meridian in Bonneville County, Idaho, bounded as follows:

Commencing at a point two Rods South from the Northwest corner of the Northeast Quarter of the Northeast Quarter of Section 20, Township 1 North, Range 44 East of the Boise Meridian and running thence East 8 Rods, thence South 20 Rods, thence West 8 Rods, thence North 20 Rods to the place of beginning.

Parcel No. 9

All that portion of Section 23, Township 5 South, Range 43 East, Boise Meridian, Caribou County, State of Idaho, bounded as follows;

Beginning at the Northeast corner of said Section 23; thence South 1,342.18 feet along the East line of said Section; thence West 992.49 feet to the True Point of Beginning which is a 5/8" rebar with cap labeled "AA HUDSON PLS 4735" set at the intersection of the Westerly right-of-way of the Wayan Loop Road and the accepted boundary fence between Max Weaver and Leith R. Somsen;

Thence North 89° 30'55" West 89.39 feet along said fence to a 5/8" rebar with cap set at fence corner; thence North 34°31'27" East 77.39 feet along a fence line to a 5/8" rebar with cap set at a fence corner on westerly right-of-way of said road; thence South 35°12'20" East 78.96 feet along said line to the True Point of Beginning.

Exhibit III

PERMITTED LIENS

Parcel No. 6:

Deed of Trust dated November 23, 2015 from Mortgagor as Trustor/Grantor to Alliance Title & Escrow Corp., as Trustee, for the benefit of The Sandra H. Ball Family Trust, U/T/A, recorded on December 1, 2015, Microfile No. 399133, Madison County, Idaho Records, securing an indebtedness evidenced by a promissory note of even date with the Deed of trust, executed by Grantor in the sum of \$50,866.64 final due date November 1, 2025, and to secure payment of all such further sums as may hereafter be loaned or advanced by the Beneficiary to the Grantor (the "First Mortgage").

GUARANTY

This guaranty agreement ("Guaranty") is made and executed as of January 29, 2016 by COLUMBINE TELEPHONE COMPANY, INC., a Wyoming corporation (hereinafter called the "Guarantor") in favor of RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association (hereinafter called the "Lender").

WHEREAS, concurrently with the execution and delivery of this Guaranty, the Lender has made loans to Horizon Communications, Inc., a Wyoming corporation ("Borrower") pursuant to a certain Loan Agreement dated as of even date herewith (designated WY803-A-9004 and 9005) (the "Loan Agreement"), evidenced by a certain Secured Promissory Note from the Borrower to the Lender, dated as of even date herewith in the original principal amount of \$4,444,444.00 (the "9004 Note") and a certain Secured Promissory Note from the Borrower to the Lender, dated as of even date herewith in the original principal amount of \$3,888,889.00 (the "9005 Note") (the 9004 Note and the 9005 Note are hereinafter collectively referred to as the "Notes") (the Loan Agreement, the Notes and the Other Agreements (as such term is defined in the Loan Agreement) are hereinafter collectively referred to as the "Loan Documents");

WHEREAS, the Guarantor is a wholly-owned subsidiary of the Borrower and has determined that it is in its interest and to its financial benefit that the Borrower and the Lender enter into the Loan Agreement; and

WHEREAS, this Guaranty is executed and delivered to the Lender by the Guarantor to induce the Lender to make the loan evidenced by the Note and in satisfaction of a material condition precedent to the extension of credit by the Lender.

NOW, THEREFORE, in consideration of the loans by the Lender to the Borrower and the benefits derived by Guarantor therefrom, it is agreed as follows:

1. Guarantor hereby absolutely and unconditionally, jointly and severally guarantees to the Lender the due and prompt payment of (a) the outstanding principal amount due from the Borrower to the Lender, whether at maturity or earlier by acceleration or otherwise, under the Note, (b) all accrued interest thereon (including interest accruing after filing of any bankruptcy petition by or against the Borrower), (c) all other indebtedness, liabilities and obligations of the Borrower to the Lender under the Loan Documents and (d) all other costs, fees or expenses of the Lender that the Borrower is required to pay under the Loan Documents (including costs of collection and reasonable attorneys' fees), whether any of the foregoing are now existing or hereafter arising, and all extensions, renewals, modifications or amendments to any of the foregoing. The obligations referred to in items (a) through (d) above are collectively referred to herein as the "Indebtedness."

2. Guarantor further agrees to pay the Lender any and all costs, expenses and reasonable attorneys' fees paid or incurred by the Lender in enforcing or endeavoring to enforce this Guaranty.

3. The Lender may, at the Lender's option, proceed to enforce this Guaranty directly against the Guarantor (and any collateral securing performance of this Guaranty owned by the Guarantor) without first proceeding against the Borrower, any co-guarantor, or any other person liable for payment or performance under the Loan Documents and without first proceeding against

or exhausting any collateral now or hereafter held by the Lender to secure payment or performance under the Loan Documents.

4. Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, notice of nonpayment or nonperformance, notice of the incurrence of Indebtedness by Borrower, notice of acceptance of this Guaranty and all other notices of any nature in connection with the exercise of the Lender's rights under the Loan Documents or this Guaranty. Performance by the Guarantor hereunder will not entitle the Guarantor to any payment by the Borrower under any claim for contribution, indemnification, subrogation or otherwise, until such time as the Borrower shall have paid in full all amounts owing to the Lender and performed all of the Borrower's obligations under the Loan Documents. Guarantor waives the right to require suit against the Borrower or any other party before enforcing this Guaranty, and all rights to setoffs and counterclaims against the Lender and agrees that any rights which the Guarantor might now or hereafter hold against the Borrower and any co-guarantors will be subordinate, junior and inferior to all rights which the Lender might now or hereafter hold against the Borrower and any co-guarantors. Guarantor agrees that it will not assert any right of contribution against any other guarantor of the Indebtedness or the obligations related thereto until such time as all of the Indebtedness has been paid in full to the Lender and all of such obligations have been performed. Notwithstanding the foregoing, Guarantor waives all rights of subrogation and contribution in any bankruptcy or insolvency proceeding filed by or against the Borrower or any other guarantor to the extent that the exercise of such rights would require the Lender to return to the bankruptcy estate of the Borrower or any other guarantor any payments received by the Lender on account of the Indebtedness or such obligations. Guarantor expressly waives any rights available to the Guarantor under Sections 49-25 and 49-26 of the Code of Virginia of 1950, as amended.

5. Guarantor hereby consents and agrees that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guarantees, abstaining from taking advantage of or realizing upon any collateral security or other guarantees and any and all other forbearances or indulgences granted by Lender to the Borrower or any other party may be made, granted and effected by Lender without notice to the Guarantor and without in any manner affecting its liability hereunder.

6. Nothing herein contained shall limit the Lender in exercising any rights held under any one or more of the Loan Documents. In the event of any default under the Loan Documents or this Guaranty, the Lender will be entitled to selectively and successively enforce any one or more of the rights held by the Lender and such action will not be deemed a waiver of any other rights held by the Lender. All of the remedies of the Lender under this Guaranty and the Loan Documents are cumulative and not alternative. If the Lender elects to foreclose any lien created by the Loan Documents, the Lender is authorized to purchase for the Lender's account all or any part of the collateral covered by such lien at public or private sale and to credit the amount recovered first against any portion of the Loan for which the Guarantor is or may not be liable with any balance remaining to be applied in reduction of the liability of the Guarantor hereunder.

7. If an Event of Default (as defined in the Loan Agreement) has occurred under the Loan Agreement and any applicable cure period has expired, then Lender shall have the right to declare the Indebtedness guaranteed hereunder immediately due and payable in full, without notice to Borrower or Guarantor, regardless of whether Lender has accelerated all or any part of the Borrower's Indebtedness. Without limiting the generality of the foregoing, if the Borrower should at any time (a) become insolvent, (b) make a general assignment for the benefit of creditors, (c) petition for or be subject to a receivership proceeding, or (d) be subject to a petition

in bankruptcy or any insolvency or reorganization proceeding, whether voluntary or involuntary, then Lender shall have the right to declare the Indebtedness guaranteed hereunder immediately due and payable in full, without notice to Borrower or Guarantor, regardless of whether Lender has accelerated all or any part of the Borrower's Indebtedness, and Lender shall have the right to demand and to collect from Guarantor payment in full of the Indebtedness guaranteed hereunder, including all principal, interest, fees and charges, whether or not then due and payable by Borrower.

8. All accounts, deposits, investments and property of the Guarantor with or in the hands of Lender shall be and stand pledged as collateral security for the obligations of the Guarantor hereunder, and Lender shall have the same right of setoff with respect to deposits, investments and other credits of the Guarantor as it has with respect to deposits, investments and other credits of the Borrower. Lender is hereby authorized at any time and from time to time, without prior notice to the Guarantor, to exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by Lender or owed to the Guarantor or for the credit or account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Guaranty. Lender agrees to notify the Guarantor promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. The rights of Lender under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which Lender may have. Guarantor waives all rights of setoff, deduction, recoupment or counterclaim.

9. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(b) GUARANTOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10. If any payment or thing of value should be received and accepted by the Lender in payment of any Indebtedness or obligation of the Borrower under any of the Loan Documents and it should subsequently be determined or adjudged that such payment be void or voidable under any law or statute now or hereafter in effect, the receipt of such payment by the Lender shall, as to the Guarantor, be deemed a provisional receipt and if any such payment should be avoided or set aside under any such law or statute, the Guarantor shall be and remain liable to the Lender in respect thereof as if such payment had not been received by the Lender notwithstanding any release or discharge of this Guaranty to the Guarantor issued or granted by the Lender in the

belief or assumption that its receipt of such payment was absolute and not subject to any avoidance.

11. Guarantor represents and warrants to the Lender as of the date of this Guaranty that:

11.01 Obligations. The aggregate amount of obligations guaranteed hereunder shall not exceed the maximum amount allowed under any mortgage, indenture or agreement of any kind entered into by or affecting the Guarantor at the time Lender may seek payment under this Guaranty. During the term of this Guaranty, the Guarantor will not, without the written consent of Lender, make any investment, loan, deposit, advance, guaranty or other obligation which would cause the total aggregate Indebtedness guaranteed hereunder to exceed said maximum allowable amount.

11.02 Good Standing. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the state of its organization, has the power to own its property and to carry on its business, is duly qualified to do business, and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.

11.03 Authority. Guarantor has the requisite power and authority to enter into this Guaranty, to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper company or other action, and no consent or approval of any person, including, without limitation, stockholders of Guarantor and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

11.04 No Conflicting Agreements. The execution, delivery of and performance by Guarantor of this Guaranty, and the transactions contemplated hereby, will not violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the charter or by-laws of Guarantor, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Guarantor is a party or by which it or any of its property is bound.

11.05 Litigation. There are no judgments, claims, actions, suits or proceedings pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor or its properties, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, which may result in any material adverse change in the business, operations, prospects, properties or assets or in the condition, financial or otherwise, of Guarantor, and Guarantor is not, to its knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would have a material adverse effect on Guarantor.

11.06 Taxes. Guarantor has paid or caused to be paid all federal, state and local taxes to the extent that such taxes have become due, unless the Guarantor is contesting in good faith any such tax. Guarantor has filed or caused to be filed all federal, state and local tax returns which are required to be filed by Guarantor.

11.07 Licenses and Permits. Guarantor has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and

business that are required by federal, state and local laws of the jurisdictions in which Guarantor conducts its business and each remains valid and in full force and effect.

11.08 Required Approvals. No license, consent, permit or approval of any governmental agency or authority is required to enable the Guarantor to enter into this Guaranty or to perform any of its obligations provided for herein except as disclosed to Lender and except with respect to regulatory approvals which may be required in connection with the Lender's enforcement of certain remedies hereunder.

12. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Guaranty shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative
20701 Cooperative Way
Dulles, VA 20166
Attention: Senior Vice President
Fax: (703) 467-5170

The Guarantor:

If by personal delivery, overnight mail or courier service:

Columbine Telephone Company, Inc.
104101 U.S. Highway 89
Freedom, WY 83120
Attention: General Manager

If by United States mail or by telecopy:

Columbine Telephone Company, Inc.
P.O. Box 226
Freedom, WY 83120
Attention: General Manager
Fax: (307) 883-2575

13. If any provision of this Guaranty is held to be invalid, illegal or unenforceable in any respect or application for any reason, such invalidity, illegality or unenforceability will not affect any other provisions herein contained and such other provisions will remain in full force and effect. This Guaranty will be binding on the Guarantor and all successors and assigns of Guarantor and


will inure to the benefit of the Lender and all successors and assigns of the Lender. Guarantor consents to the assignment of all or any portion of the rights of the Lender hereunder in connection with any assignment of the rights of the Lender under the Loan Documents without notice to the Guarantor.

14. This Guaranty constitutes the joint and several obligation of each of the guarantors of the Indebtedness, including the Guarantor, and shall be fully binding upon and enforceable against any or all of such parties. The release of any guarantor of the Indebtedness shall not affect or release the joint and several liability of any other guarantor of the Indebtedness. The Lender may at its option enforce this Guaranty against one or more or all of the guarantors, provided the Lender shall not be required to resort to enforcement against each and every of the guarantors and the failure to proceed against or join each and every of the guarantors shall not affect the joint and several liability of each of the guarantors.

15. This Guaranty may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Guaranty to physically form one document.

IN WITNESS WHEREOF, Guarantor has executed and delivered to Lender this Guaranty as of the day and year first above written.

COLUMBINE TELEPHONE COMPANY, INC.

By: 
Title: VP Finance / CFO